

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2013

THURSDAY, MARCH 1, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:30 p.m., in room SD-138, Dirksen Senate Office Building, Hon. Ben Nelson (chairman) presiding.
Present: Senators Nelson and Hoeven.

ARCHITECT OF THE CAPITOL

STATEMENT OF HON. STEPHEN T. AYERS, ARCHITECT OF THE CAPITOL

OPENING STATEMENT OF SENATOR BEN NELSON

Senator NELSON. This is our first hearing of fiscal year 2013 and I want to start by welcoming my Ranking Member Senator Hoeven who will be joining us shortly. He's on the floor.

As everyone in this room knows, the bill we passed last year reflected the very tough spending decisions that had to be made and I want to thank him, and I haven't personally before, for working with me and working together as well as we were able to do, better than I think most people could have ever expected. I'm looking forward to also working closely again this year to pass the legislative branch bill that funds the priorities of our agencies and also reflects the tight budget constraints under which we're unfortunately still operating, as well as, of the sequestration process.

So, I want to welcome the other members: Senators Tester, Brown, and Senator Graham.

Senator NELSON. So, we're here again, faced with similar funding constraints, difficult times; people back home wanting less Government, but very often more services, of course. We're operating with similar funding constraints and equally tough decisions again. But we welcome the testimony today and in the weeks to come on the fiscal year 2013 budget request as we review personnel, programmatic, and construction needs.

Today, we'll receive testimony on the fiscal year 2013 budget requests from the Architect of the Capitol (AOC); the Library of Congress (LOC); Open World Leadership Center (OWLC); and the Office of Compliance (OOC). I want to welcome our four witnesses today: Stephen T. Ayers, the Architect of the Capitol; Dr. James Billington, Librarian of Congress; Ambassador John O'Keefe, Executive Director of the Open World Leadership Center; and Tamara E. Chrisler, Esq., Executive Director of the Office of Compliance.

FISCAL YEAR 2013 BUDGET REQUEST

It's good to have each of you here this afternoon. Mr. Ayers, your budget request this year totals \$668 million, an increase of \$101

million or 17.7 percent more than the current fiscal year funding. Now, this probably comes as no surprise that no other legislative branch agency has this level of increase in their budget request. Understandably, the majority of your proposed increase, 46 percent is for capital construction projects, and much of that funding is just absolutely necessary to keeping our campus operating safely, and efficiently as well, and we understand that. You have two large ticket items on your agenda for fiscal year 2013—Phase II of the Capitol dome rehabilitation and the beginning of Phase II of the Capitol Power Plant chiller system replacement.

Obviously, there are going to be some very tough decisions before us. If we're going to embark on these major rehab projects, we're going to have to look for savings in some other places wherever we can, not only within the AOC budget, but also across other agencies in an effort to contain the overall funding levels of this bill.

Dr. Billington, I want to welcome you again and your Chief of Staff, Robert Dizard, Jr. This past year we were saying goodbye to Congressional Research Service (CRS) Director Dan Mulholland after 42 years of service to the Congress. It appears from the seats behind you that the LOC has had a few more changes during this past year. The LOC's fiscal year 2013 request totals \$603.6 million, an increase of \$16.2 million or 2.8 percent more than the fiscal year 2012 enacted level. I understand the requested increase in funding would cover mandatory pay-related items and price level increases and would restore the funding level of the Copyright Office to the fiscal year 2012 rescission level, and would provide \$1.7 million to the LOC to complete the transfer of special format collections in modules 3 and 4 at Fort Meade.

I also want to welcome Ambassador O'Keefe of the OWLC. Your budget request totals \$10 million, a freeze at the fiscal year 2012 enacted level. I strongly support the work of OWLC as you—the Ambassador—and Dr. Billington know. As the OWLC has sustained the largest reduction in fiscal year 2012, I appreciate the fact that you're willing, in a sense, to do more with less even now. I look forward to your testimony as we consider these numbers.

Ms. Chrisler, the fiscal year 2013 budget request for the OOC totals \$4.2 million, an increase of \$389,000, or 10 percent more than the current year. We appreciate the services that the OOC offers to both the employing offices and employees of the legislative branch. We look forward to your testimony and to discussing the services that your office provides within the tight budget constraints.

I'll turn to the Ranking Member, Senator Hoeven, my good friend, for his remarks when he arrives here to join us.

PREPARED STATEMENT

I'd like to begin with the witnesses. I know we always try to ask everybody to hold opening statements to about 5 minutes, and if you could then submit the rest of your statement for the record.

Mr. Ayers, we'll start with you then we'll hear from Dr. Billington, Ambassador O'Keefe, and last but not least, Ms. Chrisler.

[The statement follows:]

PREPARED STATEMENT OF SENATOR BEN NELSON

Good afternoon everyone and welcome.

This is our first hearing of fiscal year 2013 and I want to start by welcoming my Ranking Member, Senator Hoeven. As everyone in this room knows, the bill we passed last year reflected the very tough spending decisions that had to be made, and I want to thank Senator Hoeven for working with me throughout the entire process. I'm looking forward to working closely together again this year to pass a legislative branch bill that funds the priorities of our agencies but also reflects the tight budget constraints under which we are still operating. I also want to welcome the other members of the subcommittee: Senator Tester, Senator Brown, and Senator Graham.

So, we are back here again this year, faced with both similar funding constraints as last year, and equally tough decisions. We welcome the testimony today and in the weeks to come on the fiscal year 2013 budget requests as we review personnel, programmatic, and construction needs. Today, we will receive testimony on the fiscal year 2013 budget requests from the Architect of the Capitol (AOC); the Library of Congress (LOC); the Open World Leadership Center (OWLC); and the Office of Compliance (OOC). I want to welcome our four witnesses today:

- Stephen T. Ayers, Architect of the Capitol;
- Dr. James Billington, Librarian of Congress;
- Ambassador John O'Keefe, Executive Director of the Open World Leadership Center; and
- Tamara Chrisler, Executive Director of the Office of Compliance.

FISCAL YEAR BUDGET REQUESTS

It is good to have each of you here this afternoon.

Mr. Ayers, your budget request this year totals \$668 million—an increase of \$101 million or 17.7 percent more than the current year. No other legislative branch agency has this level of increase in their budget request. Understandably, the majority of your proposed increase—46 percent—is for capital construction projects, and much of that funding is to keep our campus operating safely and efficiently. And you have two large ticket items on your agenda for fiscal year 2013, Phase II of the Capitol dome rehabilitation; and the beginning of Phase II of the Capitol Power Plant chiller system replacement. Obviously, there are going to be some very tough decisions before us, and if we are going to embark on these major rehab projects, we are going to have to look for savings in other places not only within the AOC but also across the other agencies of the legislative branch in an effort to contain the overall funding levels of this bill.

Dr. Billington—I want to welcome you and your Chief of Staff, Robert Dizard Jr. This time last year, we were saying goodbye to Congressional Research Service Director Dan Mulhollan after 42 years of service to the Congress. It appears from the seats behind you that the LOC has had a few more changes in the past year.

LOC's fiscal year 2013 request totals \$603.6 million, an increase of \$16.2 million or 2.8 percent more than the fiscal year 2012 enacted level. I understand the requested increase in funding would cover mandatory pay-related items and price level increases, would restore the funding level for the Copyright Office to the pre-fiscal year 2012 rescission level, and would provide \$1.7 million for LOC to complete the transfer of special format collections to Modules 3 and 4 at Fort Meade.

I also want to welcome Ambassador O'Keefe of the OWLC. Your budget request totals \$10 million—a freeze at the fiscal year 2012 enacted level. I strongly support the work of OWLC, and as the agency that sustained the largest percentage reduction in fiscal year 2012, I appreciate the fact that you are willing to do more with less. I look forward to hearing your testimony.

Ms. Chrisler, the fiscal year 2013 budget request for OOC totals \$4.2 million—an increase of \$389,000 or 10 percent more than the current year. We appreciate the services that your agency offers to both the employing offices and the employees of the legislative branch. We look forward to your testimony and to discussing the services your office provides within the tight budget constraints.

SUMMARY STATEMENT OF STEVEN T. AYERS

Mr. AYERS. Thank you, Mr. Chairman, and good afternoon.

Thank you for the opportunity to testify today regarding our fiscal year 2013 budget request. Our mission is to serve the Congress and the American people as well as to maintain the historic buildings entrusted to our care. We know first-hand the challenges asso-

ciated with preserving these historic buildings and we have considerable experience in planning for our future requirements.

However, despite our best efforts to anticipate and make needed repairs, as our buildings continue to age, they've become more difficult and costly to maintain. Making necessary improvements requires significant investment, and today our backlog of deferred maintenance and capital renewal work is more than \$1.6 billion.

As we've developed this budget, we prioritized our efforts to ensure that every resource goes toward the most needed work, realizing that we must balance our stewardship responsibilities with fiscal responsibility. I also realize, Mr. Chairman, that it's my responsibility to find ways to work faster, smarter and cheaper and our efforts this year have resulted in a few cost savings.

OVERTIME/WORK SCHEDULES

First, we reduced our overtime costs last year by 22 percent, while maintaining service levels and response times. We have done this by adjusting employee work schedules and assigning newly hired employees to alternate work schedules. Second, we implemented temporary, targeted hiring freezes; delayed filling vacant positions; and eliminated 15 positions and another 6 part-time rehired annuitants, allowing us to reinvest those resources in our deferred maintenance backlog.

We've also looked at our information technology (IT) operations and consolidated our servers from 200 to 10, saving more than \$220,000. This reduced energy consumption, space requirements, and maintenance costs. We're also working to reduce energy consumption and water consumption across the Capitol campus because saving energy and water saves money. We reduced energy consumption significantly, which resulted in \$2.5 million of cost avoidances just last year.

In addition, we've implemented a free cooling process at our Power Plant, yielding another \$500,000 in savings last year alone. As a result of these savings and others, we've reduced our budget request for capital projects to \$161 million, which is a 10-percent decrease from our request last year. Nearly \$50 million of this funding goes toward projects that specifically address the most critical life-safety, infrastructure, and security needs of the Capitol campus.

PROJECT ADMINISTRATION

For fiscal year 2013, we're recommending that nearly \$203 million in necessary work, nearly 60 projects, be deferred to another year. This is a calculated risk because the longer these projects are delayed, obviously the more they're going to cut cost down the road.

As stewards of the Capitol campus, we're committed to working with the Congress to ensure that the proper investments are made in the facilities at the most appropriate times. In doing so, we will ensure together that our national treasures are preserved for generations.

PREPARED STATEMENT

Mr. Chairman, thanks to everyone on the AOC team, we've made great strides last year. It's been a very good year for us. We've delivered more projects on time and on budget than we ever have in our history. And in doing so, we are effectively managing the resources that the Congress and the taxpayers provide.

This concludes my statement. I'd be happy to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF STEPHEN T. AYERS, FAIA, LEED AP

Mr. Chairman, Senator Hoeven, and members of the subcommittee, thank you for the opportunity to testify today regarding the Architect of the Capitol's (AOC) fiscal year 2013 budget request.

AOC's core mission is to serve the Congress and the American people as well as preserve and maintain the historic facilities entrusted to our care. We know firsthand the challenges associated with preserving these historic buildings, and we have much experience in anticipating and planning for future requirements to ensure that future generations will continue to be inspired by their United States Capitol and all of the history that it holds.



Despite our best efforts to anticipate and make needed repairs, as these facilities continue to age, they become more difficult to maintain, building systems such as the plumbing and heating are beginning to fail in the oldest office buildings, and installing the most up-to-date technology has proven challenging. Making the necessary improvements and upgrades to congressional facilities will require significant investment.

We appreciate the Congress' support of our efforts over the past several years to improve the buildings and infrastructure on Capitol Hill, however, the number of pressing needs continues to grow as the availability of Federal dollars becomes more constrained.

Therefore, in developing this budget request, we worked to prioritize our efforts to ensure that every resource goes toward the most needed and most important work, realizing that we must balance our stewardship responsibilities with fiscal responsibility. For fiscal year 2013, our responsibilities will also include two very staff- and resource-intensive activities—preparing for the Presidential Inaugural ceremony, and orchestrating the postelection office moves in the House and Senate.



As stewards of our national treasures, it is my duty to put forth a reasonable budget that I believe will best meet the need of our aging infrastructure. This awesome responsibility has led me to request an increase in my budget during fiscally challenging times; and not doing so, I believe, would be irresponsible. We are requesting \$668.2 million, a 5 percent decrease from the fiscal year 2012 request.

However, I found that the key to balancing all of these responsibilities is to put forth our request in a prioritized way that provides the Congress with the information they need to make sound and knowledgeable decisions to align our budget with available fiscal resources. We believe we have done that with this budget request.

REALIZING SIGNIFICANT EFFICIENCIES AND SAVINGS

It is my additional responsibility to find ways of working faster, smarter, and cheaper. We believe we are leading by example by becoming more efficient in an effort to save taxpayer money. These efforts are both large and small and most of these efforts resulted in significant cost avoidances, that is, by doing things more efficiently, we were able to reduce the costs of carrying out daily operations, programs, or projects.

We are using innovative ideas, such as engaging cross-functional teams, to implement best practices to help us become more efficient in our operations, drive quality improvements, and further enhance efficiencies and reduce costs. The following are examples of the efficiencies the AOC realized during fiscal years 2011 and 2012.

- We implemented an agency-wide effort to reduce overtime while maintaining service levels and response times. We were able to accomplish this by adjusting existing employee work schedules and hiring new employees to work alternate schedules (versus the traditional Monday–Friday work week). We were therefore able to provide suitable weekend coverage; reducing our overtime costs in fiscal year 2011 by 22 percent. This was especially noteworthy given the extraordinary manpower requirements of the postelection congressional office moves.
- We implemented targeted hiring freezes, delayed filling vacant positions, eliminated positions, and reduced the number of temporary employees and annuitants among our ranks, thereby allowing us to reinvest our resources in Deferred Maintenance and Capital Renewal projects.

- We reviewed all of our subscriptions to print and online publications and cut those that were unneeded or underutilized. This effort yielded nearly \$50,000 in annual cost savings.
- In some of our jurisdictions, we evaluated several leases and either relocated leased operations to more cost effective/smaller locations, or re-competed the lease to reduce costs. This resulted in immediate- and long-term cost avoidances totaling more than \$1 million.
- In July and August 2011, on excessively hot days when there was a high demand on the power grid, AOC implemented its load-curtailement procedures. These days are called “Gold Days”. Observing them helps reduce demand on the electric grid during high demand periods and helps reduce utility costs to the AOC. Members’ offices played a role in observing Gold Days by turning off non-essential lighting and office equipment. In addition, AOC dimmed hallway lights and shut down decorative water fountains.
- We have found significant savings by taking a critical look at our information technology services. By using virtual server technology, we reduced the number of physical servers from 200 to 10. This reduced energy consumption, space requirements, and maintenance costs. We also standardized and consolidated our platform software, which reduced maintenance and support costs. In all, we saw more than \$220,000 in annual savings and improved our IT equipment reliability.

Accomplishing these efforts through more effective means also provided an extra benefit to the Congress and to the American people; AOC was able to reinvest resources in important Deferred Maintenance and Capital Renewal projects. To give one example, we reinvested funds saved through our energy reduction efforts into the initial planning and design for the Cogeneration and West Refrigeration Plant projects in fiscal year 2011. Therefore, AOC was able to reduce its budget request for capital projects in fiscal year 2013 to \$161 million, a 10 percent decrease from the fiscal year 2012 capital projects request.

Nearly \$50 million of this funding will go toward addressing Deferred Maintenance projects. And, the 16 capital projects on the fiscal year 2013 Recommended Line Item Construction list specifically will address the most critical life-safety, infrastructure preservation, and security needs. In the most difficult of economic times, we must continue to correct deficiencies and prevent facility or system failures. The key is to prioritize these projects to ensure every taxpayer dollar goes toward the most important work.

PROJECT PLANNING AND PRIORITIZATION

Over the past several years, we have refined our dynamic project prioritization process, which has contributed to our ability to identify and communicate to the Congress the urgent need to invest in the historic and iconic buildings and infrastructure, and the resulting risks if these needs are not addressed.

AOC’s Project Planning and Prioritization Process ranks every necessary project using the conditions of the facilities and the anticipated urgency with which we need to provide the levels of investment and maintenance required to ensure they remain safe, functional, and secure. The first priority, of course, is to ensure the health and safety of all those who work in and visit the Capitol campus. This “triage” process for facilities identifies the most serious issues first, which we assess carefully to develop solutions to fix the problems while also addressing necessary life-safety issues, security requirements, energy-savings opportunities, and historic preservation measures. We take the same approach in meeting our clients’ needs, however by placing a priority on fixing existing deficiencies and Deferred Maintenance; new construction projects are often postponed.

We have several tools that we use to assess which facilities need emergency care versus those that can be nursed along until funding becomes available to address specific Deferred Maintenance or Capital Renewal projects in those particular buildings. These tools include Facility Condition Assessments, the Capitol Complex Master Plan, Jurisdiction Plans, and the Five-Year Capital Improvements Plan, which examines phasing opportunities, project sequencing, and other factors to better facilitate the timing of the execution of major Deferred Maintenance and Capital Renewal projects.

Our comprehensive prioritization process rates projects on a number of objective factors to produce an overall hierarchy of importance. During this process, projects are classified by type and urgency. The projects are then scored against six criteria:

- safety and regulatory compliance;
- security;
- historic preservation;

- mission;
- economics; and
- energy efficiency and environmental quality.

We then compile these scores to produce a composite rating consisting of classification, urgency, and project importance and we also apply a criticality and risk decision model to the overall prioritization list to filter which ones are included in our annual budget request.

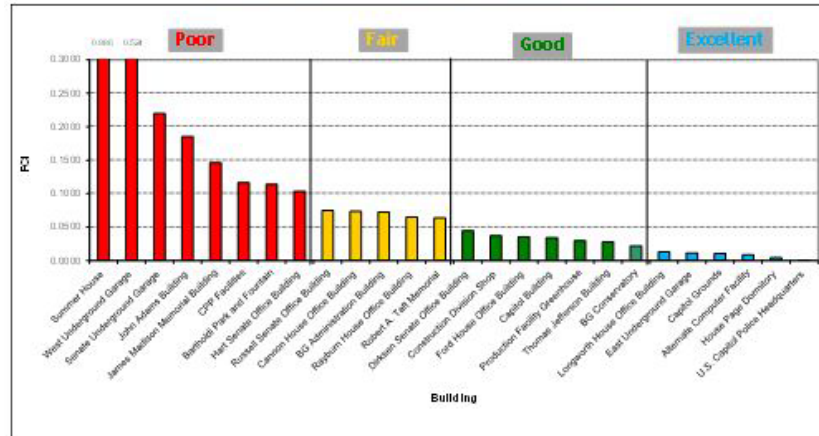
To provide us with a long-term, strategic look ahead to queue up priorities, investments, and projects, we use the Capitol Complex Master Plan. This past year we have worked to finalize an updated Master Plan that looks ahead 20 years and assesses the present physical condition and capacities of the buildings within the Capitol campus within the nine associated Jurisdiction Plans. These plans help us make future decisions about facility renewal requirements and new projects. For example, there may be instances where major, whole building renovations should be undertaken rather than a myriad of smaller projects, such as the planned Cannon House Office Building Renewal project. Renewals are more cost effective for implementing a variety of necessary improvements as they avoid having to re-enter a space several times to perform different types of work.

Finally, our Five-Year Capital Improvements Plan helps us meet several goals by analyzing all of the facility requirements, grouping them into logical and economical sequencing and phasing, prioritizing the resulting requirements using a set of objective criteria, and establishing measurable outcomes. Through this prioritization process, we work to document current and future needs and identify ways to seamlessly integrate those needs with modern-day code, security, technology, and sustainability opportunities. The Five-Year Capital Improvements Plan also provides outcomes showing the results if work is performed as planned and the resulting outcomes and risks if work is not performed.

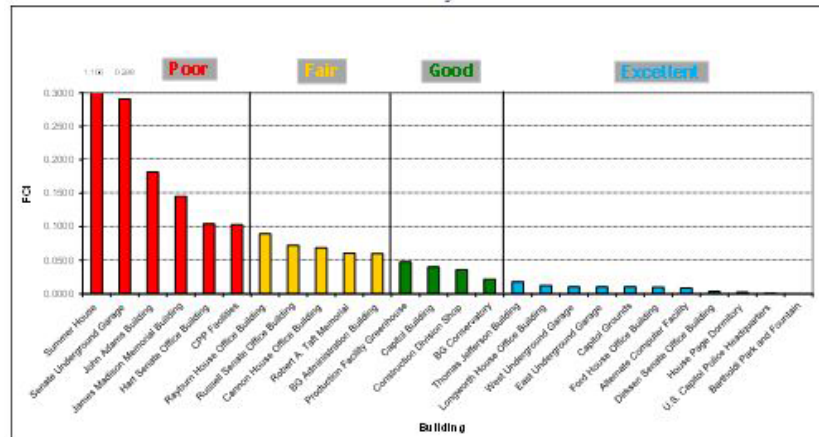
Over the past several years, the Congress has been very supportive of AOC's efforts to address critical Deferred Maintenance projects. However, it is important to acknowledge that there is a growing threat that must be faced—a very large number of Deferred Maintenance and Capital Renewal projects that remain to be addressed. For fiscal year 2013, we are recommending that an additional \$202.6 million in necessary work be further deferred to a later fiscal year due to the austere budget environment. This is a calculated risk. AOC continues to carefully monitor and maintain the facilities and systems to minimize the risk of catastrophic failure. We also continue to monitor the large number of Capital Renewal projects that remain unaddressed.

As demonstrated in the following Facility Condition Index (FCI) charts comparing fiscal year 2010 and fiscal year 2011, the Congress has provided significant funding over the past several fiscal years, which has been directed to help repair the infrastructure of several facilities, which in turn has improved their overall conditions.

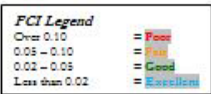
Fiscal Year 2010 Facility Condition Index



Fiscal Year 2011 Facility Condition Index

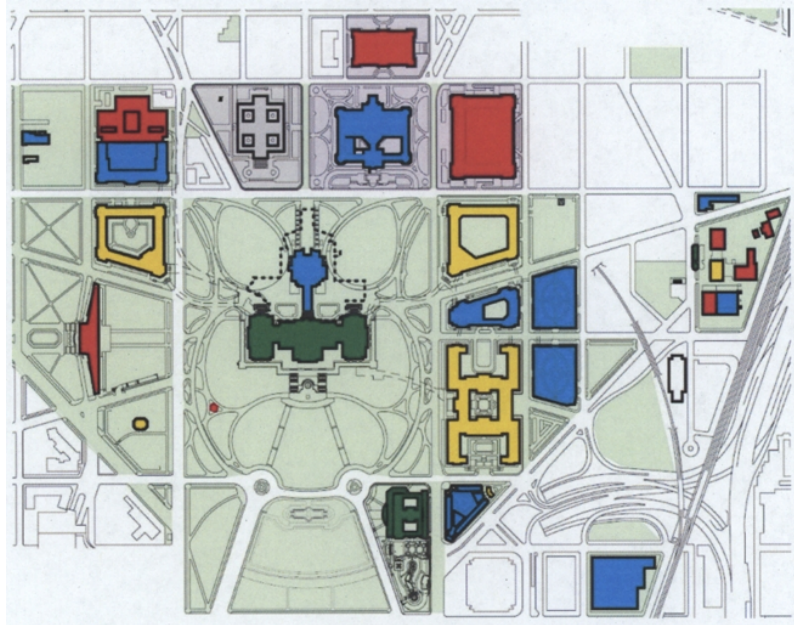


Note: Incorporates projects funded in Fiscal Year 2012

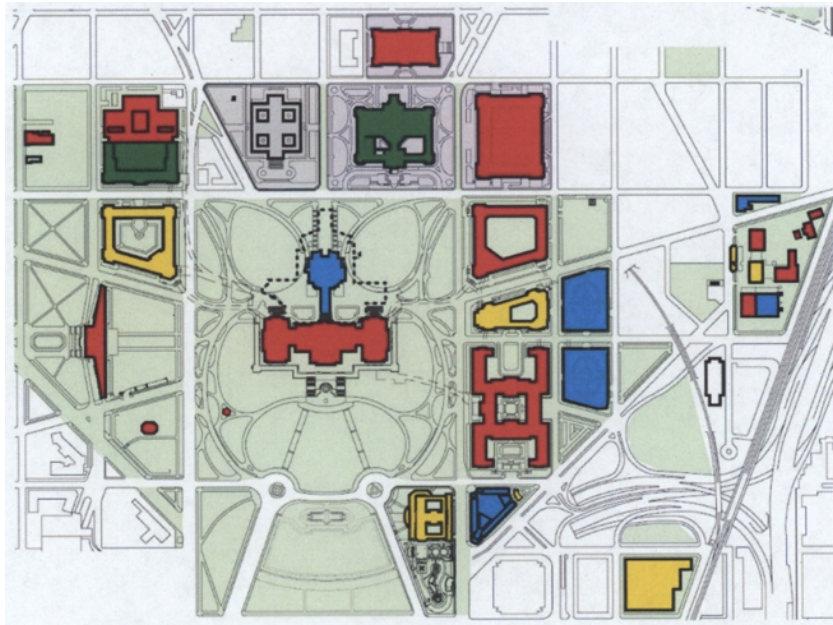


However, while several facilities have trended beyond a “good” condition, we have found over the past year that several of the facilities that are now rated as “fair” or “poor” are getting far worse due to continued deterioration. This trend is more evident in the projected FCI information provided in the following Capitol campus illustrations, which demonstrate how the conditions of each of the congressional facilities will continue to worsen over the next 5 years as compared to today. (The fiscal year 2016 illustration shows the facility condition changes with no additional investments made after fiscal year 2012.)

FISCAL YEAR 2011 FACILITY CONDITION INDEX (FCI) BY FACILITY
(Incorporated projects funded in fiscal year 2012)



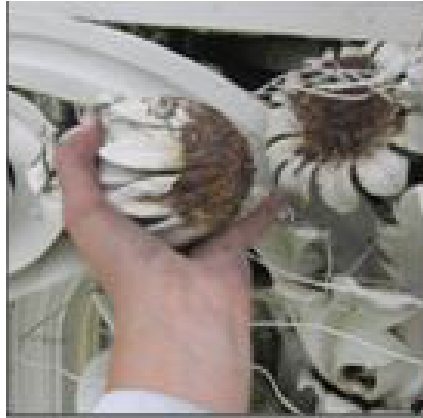
FISCAL YEAR 2016 FACILITY CONDITION INDEX (FCI) BY FACILITY



The longer Capital Renewal projects are delayed, the conditions in these facilities will continue to deteriorate; deficiencies will grow more and more serious, and ultimately more costly to repair. Additional consequences of not addressing looming Capital Renewal projects are the continued crumbling of facilities' infrastructure; a loss of historic artwork and architectural features; continued system and building failures, and security threats.

Several buildings on the Capitol campus are more than 100 years old—or in the case of the U.S. Capitol Building—more than 200 years old. As stewards of the Capitol campus, AOC is committed to continuing to work with the Congress to ensure that the proper investments are made in the facilities at the appropriate times.

Funding the following capital projects in fiscal year 2013 ensures that necessary investments are made in our historic infrastructure, and increases the safety and security of those who work in or visit the facilities on the Capitol campus. In addition, investing in the projects will continue to preserve national treasures for future generations, and many are designed to allow the Congress to realize greater energy efficiencies and savings.



—*Dome Restoration, Phase IIA.*—In fiscal year 2011, we began phase I of this project with the restoration of the Dome skirt. The ongoing work includes repairing and restoring historic ironwork, sandstone, and brick masonry. In addition, old paint is being removed from the interior and exterior of the Dome skirt and it will be repainted. This phase of the project is on budget and on schedule for completion in fall 2012.

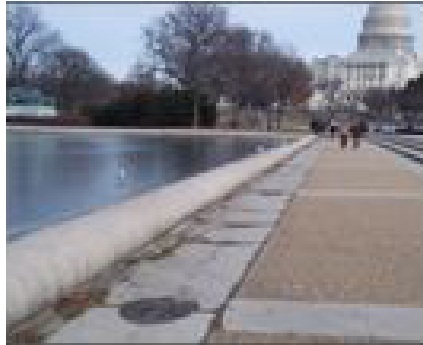
Phase IIA is the second of four phases and will involve making needed repairs to the Dome's exterior. This also will include exterior ironwork repairs, restoration of columns, finials and decorative ornaments, repair of the gutter system and repair/replacement of windows, installation of a new fall protection system, repair/replacement of roof electrical systems, installation of a bird deterrent system, and priming, resurfacing, and repainting of the Dome's exterior.

Our Dome project is one of many that are transpiring across the country. Many State capitols are experiencing many of the same issues and are undergoing costly repairs as well. For example, Oklahoma's 94-year-old dome is undergoing a \$130 million renovation. In Minnesota, they are looking at a \$241 million restoration of its 106-year-old capitol, \$4 million of which is just to repair leaks in the dome.

The planned phase IIA repairs will ensure that the elements that make the Capitol Dome unique and iconic will not be lost to time and the elements. It also will ensure that the appropriate life-safety systems are in place for the protection of AOC employees charged with the continuous care and maintenance of the Dome.

—*Union Square Stabilization.*—In December 2011, AOC's jurisdiction was expanded to include Union Square—an 11-acre parcel including the Capitol reflecting pool and the Grant Memorial. Our fiscal year 2013 budget request reflects this added responsibility and includes \$7.3 million for its required care and maintenance, including reflecting pool cleaning and repairs, stabilization of the steps, immediate sidewalk repairs, lamp post replacement, and cleaning and restoration of the statuary. As this is a new requirement for fiscal year 2013,

estimates may be revised and updated as additional condition assessment information becomes available.



—*West Refrigeration Plant, Chiller Addition.*—The hot and humid Washington summers have increased the cooling demands across the Capitol campus and the four existing chillers in the Capitol Power Plant’s West Refrigeration Plant are more than 30 years old and well beyond their useful lives. Therefore, they are no longer reliable to meet current demand. This project would fund the installation of two variable speed, high-efficiency centrifugal chillers and ancillary equipment in the West Refrigeration Plant Expansion. This would ensure that a steady supply of chilled water would be maintained to assure that congressional facilities would be cooled during the hottest months of the year. In addition, installing new, energy efficient equipment will reduce campus-wide energy consumption, which will aid in meeting Energy Independence and Security Act of 2007 requirements.

—*Electrical Distribution Upgrade, Alternative Computer Facility.*—Security experts are warning against a new type of terrorist attack—the “blended attack”.

Blended attacks are defined as coordinated attacks combining a physical attack against a target along with a cyber-attack against the same or different targets. Natural disasters, such as last August's earthquake, also can wreak havoc with computer systems and equipment. Therefore, providing for the appropriate redundancies for computer systems that support congressional functions is essential. This project would ensure that aging electrical system at the Alternative Computer Facility is upgraded to provide added reliability and redundancy, reducing the possibility of catastrophic failure of critical systems.

ENSURING A SAFE WORKPLACE

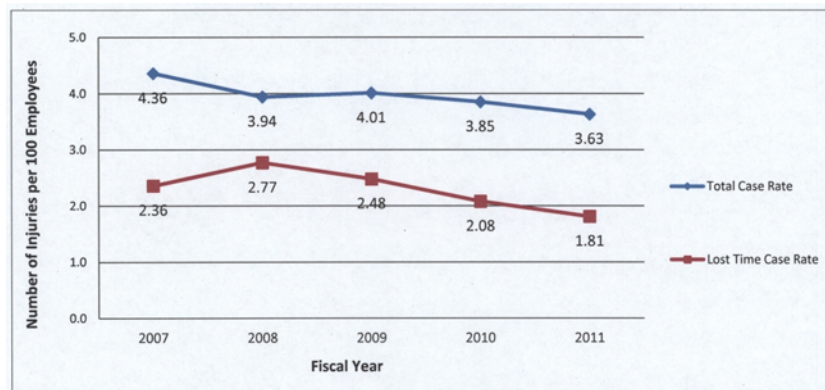
Safety is a top priority at the AOC. Since fiscal year 2007, the Congress has invested more than \$210 million in more than 55 safety-related projects executed by the AOC. This includes a number of fire and life-safety facility-related projects, including installing emergency exit signage, emergency generators and lighting, and public address systems, as well as upgrading the fire alarm systems in each of the Senate Office Buildings; installing ventilation systems and upgrading electrical and lighting in congressional facilities; and extending sprinkler and smoke detector coverage in major office buildings.



Included in our fiscal year 2013 request is a major safety-related project for the Hart Senate Office Building. We are seeking funding to replace the Hart roof and install a new fall protection system. This project will prevent water from continuing to leak into the Hart atrium, which has the potential to damage the Calder sculpture, and will ensure that necessary maintenance can be conducted safely on the roof. This is the second phase of a two-phase project.

Today, the level of safety throughout the Capitol campus has never been higher and continues to improve. This is best demonstrated by the continued reduction in the agency's Injury and Illness (I&I) rate.

AOC INJURY AND ILLNESS AND LOST TIME RATES



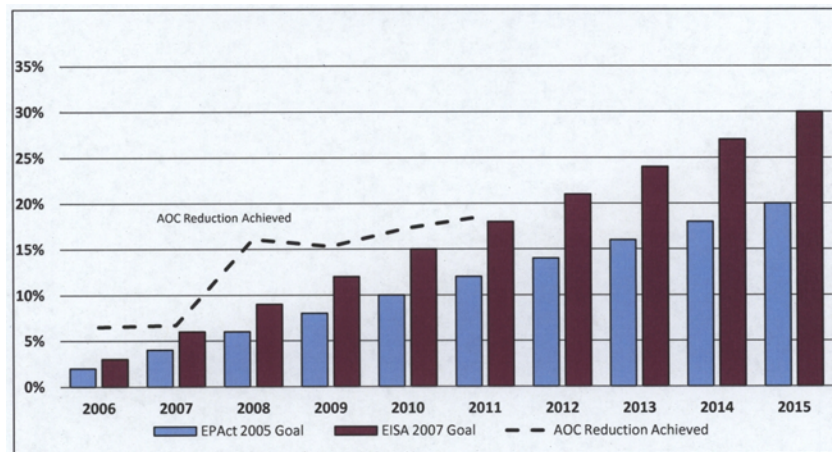
In fiscal year 2011, AOC's total I&I rate fell to 3.6 percent, and its lost time rate was reduced to 1.81 percent. This is compared to fiscal year 2010's rates of 3.8 percent and 2.1 percent. Much of this success can be attributed to the AOC's long-established safety education and training programs that place a strong emphasis on employee safety. By way of example, I am very pleased to report that as of February 21, 2012, our Library Buildings and Grounds jurisdiction employees have worked 738 consecutive, injury-free days.

SAVING ENERGY AND TAXPAYER MONEY THROUGH SUSTAINABLE PRACTICES

AOC's legacy of sustainability began with the setting of the Capitol's cornerstone in 1793, and is continuing today. AOC is working to reduce energy and water consumption across the Capitol campus in order to help save taxpayer money.

In fiscal year 2011, AOC exceeded the Energy Independence and Security Act of 2007 (EISA 2007) energy reduction goal of 18 percent by achieving a 19 percent reduction. Looking forward, the energy reduction goal for fiscal year 2012 is 21 percent, and meeting this and future reduction goals will become more challenging because the projects that yielded quick results have been completed. Implementing the next series of projects will take more time and more resources to realize savings in taxpayer money, and further reductions in energy usage.

AOC MEETING ENERGY REDUCTION GOALS



AOC's Sustainability, Energy and Water Conservation Division has been leading the agency's efforts to further reduce energy consumption on Capitol Hill. In fiscal year 2011, AOC reduced energy consumption by 109,000 MMBtus, which resulted in \$2.5 million in cost avoidances over fiscal year 2010.

The projects and programs that contributed to these savings include the Energy Savings Performance Contracts (ESPCs) for the Senate and House Office Buildings and the Capitol Building as well as retro-commissioning of equipment to optimize building systems' performance. AOC also is utilizing energy audits, building energy modeling, and utility meters to assess energy consumption and identify additional opportunities for energy reductions.

In November, AOC began using "waste-to-energy" as an alternative method to dispose of solid waste from Capitol Hill. Waste-to-energy refers to the burning of solid wastes to generate heat and, in turn, produce steam and electricity. This process creates usable energy employing waste that would otherwise be placed in landfills—diverting up to 90 percent of the Capitol campus's nonrecyclable solid waste. The heat generated from this combustion process produces enough steam and electricity to power an office building the size of the Dirksen Senate Office or Longworth House Office Building for several months. In fiscal year 2011, more than 5,600 tons Senate Office of nonrecyclable waste was collected from congressional facilities. Using waste-to-energy methods on Capitol Hill complements AOC's ongoing robust recycling programs. In fact, AOC recycles approximately 4,000 tons of materials each year, including construction waste and e-waste such as computers and other electronic equipment.

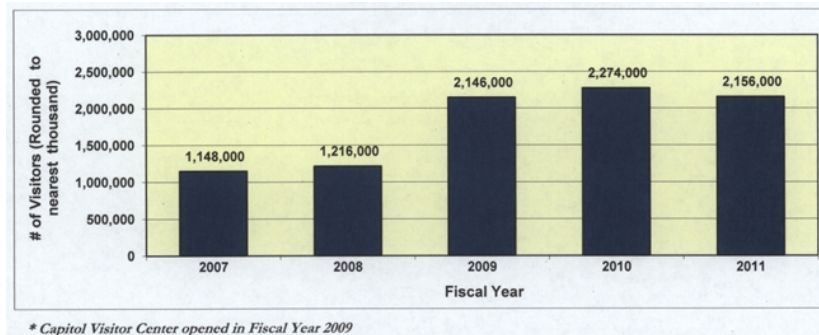
Looking ahead, the implementation of cogeneration at the Capitol Power Plant in the near future will play an essential role in AOC's long-term energy conservation strategy. Cogeneration uses combustion turbines to generate both steam and electricity. The electricity produced would help to offset the electricity used by the Capitol Power Plant. In addition, the use of the heat generated from this operation would produce enough steam to reduce reliance on existing, aging boilers. Utilizing cogeneration will help the Congress meet the Energy Independence and Security Act of 2007 requirement of a 30 percent energy reduction by 2015, and will increase the Capitol Power Plant's overall efficiency.

AOC is proposing the use of a Utility Energy Services Contract (UESC) to help finance construction of the cogeneration plant. This public-private partnership leverages private funding allowing AOC to execute construction in a timelier manner, and allows the use of limited appropriated funds for other priorities, such as deferred maintenance or life-safety and security projects.

PROVIDING EXTRAORDINARY SERVICES AND INSPIRING EXPERIENCES

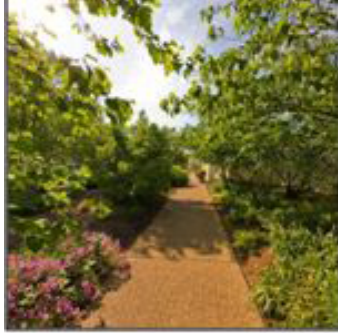
Another large component of AOC's mission is visitor services. Since the Capitol Visitor Center (CVC) opened in December 2008, nearly 7 million visitors have come through its doors. The visitor experience at the U.S. Capitol is comprised of highly personal moments that can inform, involve, and inspire those who come here, and this is largely provided by the expert CVC staff who provide memorable and engaging tours. The CVC also provides visitors with convenient amenities including information desks, restrooms, gift shops, and a restaurant. In fact, in fiscal year 2011, the Restaurant and Special Events Division, supported more than 850 congressional events and served nearly 243,000 meals.

VISITORS TO THE U.S. CAPITOL



With the CVC situated on the East Front of the Capitol, visitors approaching from the west can stop and smell the roses in the National Garden. And, each year nearly 1 million people visit the U.S. Botanic Garden. The U.S. Botanic Garden staff provides enriching educational programs for guests of any age, and they are the recognized leaders in the development and promotion of sustainable landscapes.

In fall 2011, the White House Council on Environmental Quality released guidance for Federal agencies on Sustainable Practices for Built Landscapes, indicating that the built landscape is critical to the overall success of sustainability programs within the Federal Government. A working group led by the U.S. Botanic Garden produced the 32-page guidance. This was the first time the legislative branch has been invited to participate in such an effort. The guidance provides information to assist agencies in meeting their targets under Executive Order 13514, and covers facilities with or without buildings in addition to historic or existing structures.



The new guidance is based on the Sustainable Sites Initiative (SITES), an interdisciplinary effort by the American Society of Landscape Architects, the Lady Bird Johnson Wildflower Center at The University of Texas at Austin, and the United States Botanic Garden to create the Nation's first voluntary guidelines and performance benchmarks for sustainable land design, construction, and maintenance practices.

The guidelines will be used by Federal agencies when constructing new facilities, rehabilitating existing owned or leased facilities, or when landscaping improvements are otherwise planned. Federal landscaped property provides opportunities to promote the sustainable use of water and land, conserve soils and vegetation, support natural ecosystem functions, conserve materials, promote human health and well-being, and ensure accessibility for all users, including those with disabilities.

AOC ACCOMPLISHMENTS

In addition to the accomplishments detailed above, we have recorded many other significant achievements in the past year. For example, we continued to improve our cost accounting procedures and internal controls, and received our seventh consecutive clean audit opinion from independent auditors on all of our financial statements. I am very pleased to report that in 2011, we officially closed all of the recommendations from GAO's General Management Review (67 out of 67). This is a notable achievement for us, and we have benefited greatly from the improvements made to our programs and processes over the years.

In addition, our annual Building Services Customer Satisfaction Surveys continue to show that more than 90 percent of our customers are satisfied with the level of service the AOC is providing them. This is a testament to the commitment of our talented staff who are dedicated to putting customer service first.

Another area where we have made noteworthy progress is our Utility Tunnel Improvement Program. In 2007, AOC entered into an agreement to address safety and health issues in the utility tunnels that provide steam and chilled water to most of the buildings on the Capitol campus. The work is progressing very well and we are on schedule and within budget to close all citations and meet the required completion date of June 2012.



In addition, we completed a number of projects this past year in our efforts to maintain and preserve the historic assets entrusted to our care, most notably, the renovation of the Bartholdi Fountain. This multi-year project involved restoring the sculpture at the center of the fountain as well as restoring and waterproofing the concrete pedestal. New energy-efficient plumbing and electrical distribution systems also were installed.

And, to assist us in setting goals, prioritizing initiatives, and streamlining processes, our team crafted a new 5-year Strategic Plan for fiscal years 2012–2016. We are using the innovative ideas within the Strategic Plan, such as engaging cross-functional teams, to implement best practices to help us become even more efficient in our operations, drive quality improvements, and further enhance efficiencies and reduce costs.

CONCLUSION

Mr. Chairman, AOC has made tremendous strides over the past few years to deliver projects on time and within budget, to enhance workforce flexibilities, to foster greater communication and transparency, and to build stronger relationships both with our clients and one another. We are looking to become world-class leaders in what we do, and in order to do that we must keep pace with the new strategies for facilities maintenance, energy conservation, security, and historic preservation. At the same time, we understand the challenges that an austere fiscal environment presents, and we have developed this budget in an effort to balance our stewardship responsibilities with fiscal responsibility.

To that end, we are effectively managing our resources—including personnel—to respond to these fiscally challenging times. Through our thorough project planning and project management efforts, we are able to target resources and staff on the projects that are of the highest priority. Not only does this give us greater flexibility and better results, we have worked to reduce staffing throughout the agency. The AOC team is doing more with less—focusing on improving our operations, realizing more efficiencies and saving taxpayer money, which we can then reinvest in the areas and facilities in need of the most care.

Each day, we strive to embrace and embody the Core Values detailed in our Strategic Plan because the professionalism and integrity of each AOC employee demonstrates our dedication to providing quality services and our commitment to holding ourselves to the highest standards. We recognize that we do our best work through teamwork, each of us lending our individual strengths and talents to the greater goal of the entire team. We take great pride in what we do and in the honor of serving the Congress and the American people.

This concludes my formal statement. I would be happy to answer any questions you might have.

Senator NELSON. Thank you very much. I do have a couple questions before we go to Dr. Billington.

UNITED STATES CAPITOL POLICE

Given that the overall Federal discretionary spending has been reduced, how are we going to absorb anything close to an 18-percent increase? Of the \$161 million you requested for Capitol projects, how much is for, let's say, life-safety needs? Of the 75 line-item construction projects list that was requested for funding, were there any life-safety projects that didn't make it?

What I'm really trying to distinguish here is what kind of fire and life-safety functions are included within that \$161 million versus, let's say, just general rehabilitation or other construction projects?

Mr. AYERS. Of the 16 projects that we're recommending for funding, that group strikes an appropriate balance of not just safety, but mission accomplishment, preservation of our historic facilities, and security requirements. It's emblematic of our prioritization process. It doesn't simply take every safety project and run it to the top of the list. It looks critically at energy projects, mission projects, infrastructure projects and safety projects and all others, prioritizes each of them. The most important of each rise to the top and make our recommended funding list of these 16 projects. Of those, I believe there are 6 that are singularly focused on fire and life-safety out of the 16. There are another two that are security related. There are another three or four that are preservation, and the like. It strikes an appropriate balance of all of those requirements.

Senator NELSON. Of the \$16.5 million increase for what's called "jurisdiction centralized activities", how much is for election year moves? How does the level of funding that you're requesting compare to the funding level required for office moves after the 2011 elections? In other words, have they gained any efficiency in this area given that we do this every 2 years, we're not going to stop elections because of the requirement for moves, but what have we learned, what are we finding in efficiencies?

Mr. AYERS. The most important efficiency gained from our last move cycle is that historically, during those 2-year move cycles, our overtime costs spiked. Last year that didn't happen. Last year we were able to achieve a 22-percent reduction in overtime even though it was a move year. So, I think that means that our managers, leaders, and employees are finding ways to be more efficient and be more creative in undertaking the work.

Our total move-related costs that we anticipate this year are about the same total move-related cost that we executed in the previous move cycle.

Senator NELSON. Thank you. I might have some other questions, but I'd like to defer now to my ranking member and good friend, Senator Hoeven for any opening remarks that he might like to make.

STATEMENT OF SENATOR JOHN HOEVEN

Senator HOEVEN. Thank you, Mr. Chairman. Good to be here with you. I would like to thank all of you for being here as well.

Initially I'm looking forward to your opening statements, as you describe going through the budgeting process this year. I guess the

main point that I would open with is that we're going to be pressed to find additional savings this year compared to the budget that was submitted to us by the President. We are going to have to identify savings. The question I would pose to each of you as you go through your presentations today is to identify how you would prioritize in areas where you feel we can work to identify savings as we go through this process.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF SENATOR JOHN HOEVEN

Thank you, Chairman Nelson, for calling this hearing to consider the fiscal year 2013 legislative branch budget requests for the Architect of the Capitol, the Library of Congress, the Open World Leadership Center, and the Office of Compliance. I would like to begin by welcoming our witnesses: Mr. Stephen T. Ayers, Architect of the Capitol; Dr. James H. Billington, the Librarian of Congress; Ambassador John O'Keefe, Executive Director of the Open World Leadership Center; and Ms. Tamara E. Chrisler, Executive Director of the Office of Compliance.

Today, we meet with the understanding that our country continues to face fiscal concerns for which we have yet to find all the right answers. Therefore, it stands to reason that the legislative branch may receive further budget reductions from those that were enacted in fiscal year 2012. I assume the best case scenario we may encounter would be flat funding with the fiscal year 2012 enacted level.

I thank you all for being here today and look forward to hearing what the witnesses have to say about this year's requests and to discussing creative solutions for how the legislative branch can continue to lead by example in showing fiscal constraint.

Thank you, Mr. Chairman.

Senator NELSON. Thank you, Senator Hoeven.

CAPITOL DOME SKIRT PROJECT

Before we move to Dr. Billington, I do have a question about the Capitol dome skirt project. I think we had about \$20 million in fiscal year 2011 and with the time line for completion just prior to fiscal year 2013. Is that about right, just before the Inauguration? Are we on track to complete the project on that time line?

Mr. AYERS. Yes, Mr. Chairman we are on budget and on schedule.

Senator NELSON. Okay.

Mr. AYERS. Yes, Mr. Chairman, we are on schedule to complete that project just before starting the work on the west front for the Inaugural platform.

Senator NELSON. You are requesting an additional \$61.2 million for the next phase of that project. Funding for the project was originally requested in fiscal year 2002 in the amount of \$42.5 million.

What has changed for you to require a 44-percent increase? Is that what you say happens when you defer things into the future?

Mr. AYERS. Well, that's certainly true, Mr. Chairman. That's 10 years of inflation, and that's probably the biggest cost growth in that project.

Senator NELSON. So, we do have to be cautious about just pushing things off into the future and deferring because deferral can cost money as well. If we try to defer things too far into the future, all we do is increase the costs down the road.

I know that you're going to be requesting additional funds of about \$44 million in fiscal year 2014 and fiscal year 2015 in order to complete that dome rehabilitation. Were these costs also as-

sumed as part of the original \$42.5 million in fiscal year 2002, which if so, would mean that it hasn't gone up 44 percent, but it's gone up a much larger percentage. Were these costs for fiscal years 2014–2015 included in 2002?

Mr. AYERS. Yes, Mr. Chairman. I don't believe the scope of that project hasn't changed since it was developed more than 10 years ago.

Senator NELSON. Now, once the dome rehabilitation is completed, what will happen with the costs of operations? Will they be comparable to the current costs of operation or will there be additional costs of operation?

Mr. AYERS. We don't think that there will be additional costs of operations. It will simply go back on our regular painting cycle of every 5 to 7 years. We'll power wash and paint the dome as we do today. So, it will go back on that maintenance cycle. We haven't undertaken this kind of extensive restoration work since the east front extension in 1959 and 1960. So, it's been a significant amount of time since we've gone back into the dome and done extensive repair and maintenance to restore the dome.

Senator NELSON. Okay.

Has your office been engaged with the LOC's CFO in the effort to realize some cost savings in the financial management systems?

FINANCIAL MANAGEMENT SYSTEMS

Senator NELSON. Tell us a little bit about that.

Mr. AYERS. We have met with them to talk about their hosting our systems. This is something that we've looked at on a surface level for a number of years. We also believed that a GAAP analysis needs to be done to understand the requirements of our financial management system if they can be met with the financial management system of the LOC. We have requested money to do that study before, but it has not been funded. This year we decided not to request the money and simply not undertake that work to keep our budget request as low as possible. But at some point in the future, I do think we need to carefully study how we can crosswalk our financial management system and theirs and understand that.

In the meantime, as I testified to last year, we have changed who hosts our financial management system and take it from the national business center to directly being hosted by our current vendor. That is saving us \$1 million every single year by making that strategic move.

Senator NELSON. Apparently it has worked with the U.S. Capitol Police and their financial management system. So, is there a way to at least partially fund this year to get the process started so that we would be down the road in 2 or 3 years? It seems to me it would be a good expenditure of money. If you've already saved \$1 million doing what you're doing, there is the potential to save even more if it works.

Mr. AYERS. I think that's what the study will help us understand, will it cost the same, will it cost less, or will it cost more?

I don't think we know that. But we can work with our resources this year and look to find some savings that we could—

Senator NELSON. Okay.

Mr. AYERS [continuing]. Reprogram or we can work with the subcommittee during markup to align some funds somewhere in our budget to begin that process.

Senator NELSON. Well, I think it's important to know. If it's not a good idea, obviously it doesn't have to be followed. But it may turn out to be a very, very good idea.

Well, do you have any other questions you might want to ask of the Architect here?

Senator HOEVEN. I do, Mr. Chairman. Thank you.

FISCAL YEAR 2013 BUDGET INCREASE

Overall your budget request is an increase of \$100 million, a little more than \$100 million more than the fiscal year 2012 enacted level. Phase IIA of the dome is \$61 million. Then you've got various other projects, including Union Square, and as the Chairman just mentioned, the Power Plant and the refrigeration plant.

I guess given our current budgetary constraints, give me your thoughts on, if we're not able to do all of these projects and how would you go about addressing that.

Mr. AYERS. I think a couple of ways, Senator Hoeven. First, the list of projects that we've submitted is in priority order. There are 16 of them that we've recommended be funded in fiscal year 2013. Those 16 are in priority order. There are another 59 or 60 that we suggest be deferred. We simply start at the top and work our way down the list, depending upon the amount of funding that may be available to us to utilize.

Senator HOEVEN. Talk about your sense of how dire it is that we get some of these projects done. In other words, if we do end up deferring them, describe how serious you see that situation.

Mr. AYERS. The first couple of projects on the list are safety and security related. Certainly, the first one is a very important life-safety issue at the LOC. The next two being garage security and a security upgrade at the LOC—one for the LOC, and one for the House and Senate are important upgrades that have gone through the due diligence of my office and the USCP.

Item 4 on the list is our Power Plant chiller and refrigeration plant upgrades. This past summer we were down to zero excess capacity in the chiller's ability to make chilled water. So, we are very nervous and very anxious to get that project underway to increase our chiller capacity. If we have another hot summer, potentially we'll be unable to provide enough chilled water to air condition our buildings.

The dome rehabilitation, I think as Senator Nelson pointed out, is a project that we've been working on for nearly 15 years to try to get funded. We've got the first phase of that underway. We've got a great contractor, a great team working on it, and we really believe that it needs to continue in that vein.

Senator HOEVEN. You're doing the \$20 million renovation right now, correct?

Mr. AYERS. Yes, Sir.

Senator HOEVEN. How is that coming; on schedule, on budget, and what's your time line for completing that Phase I?

Mr. AYERS. It is on schedule. It is under budget, and we intend to finish that in fall of this year, and all of that scaffolding comes

down. At the same time, we award contracts to vendors that begin the construction of the Inaugural stands on the west front.

Senator HOEVEN. Does the follow-on \$60 million project have to follow right away or is it something you can do in Phase I, with the \$20 million, and then come back and do Phase II with the \$60 million?

Mr. AYERS. It is something that can be phased. The dome skirt project is the first phase of it, and that's completely self-contained.

Senator HOEVEN. Okay.

Mr. AYERS. When that's finished we can demobilize and stop work for any period of time and then resume it and rescaffold the dome at a later date.

Senator HOEVEN. Is the \$60 million in Phase IIA, does that have to all be done at one time, or is that something that can be done in phases?

Mr. AYERS. It can be done in phases. We've looked very carefully at that. It can be done in phases. I think there are two drawbacks to it. One is we think it will cost us an extra \$6 to \$8 million by breaking that portion of work into two phases, for a couple of reasons. One is simply inflation.

Second, we don't think we'll be able to get both phases done before the next Inauguration. We'll be able to get one phase done. We'll have to take all of that scaffolding down again, conduct another Presidential Inauguration, and then put it all back up. So, that demobilization and remobilization has costs associated with it.

We've looked at it. We think it's a \$6 to \$8 million increase if we break that second phase into two smaller phases.

UNION SQUARE RENOVATION

Senator HOEVEN. How about the Union Square property? That's about \$7.3 million. Is that something you have to do, or is there something else you can do that will work for some period of time?

Mr. AYERS. This is an interim measure. This piece of property is new to us this year. We've gone out and taken a careful look at it. There are a couple of really telling photographs in our budget book about how deteriorated the stone and steps and sidewalks are there, as well as how deteriorated the bronze statue of the Grant Memorial is.

We think those things need to be stabilized, and that's what this money is meant to do, to simply stabilize and make safe that site until we undertake some long-term renovations, like renovating the Reflecting Pool itself so that it actually filters and recirculates water. Obviously it doesn't do that today, but that's something that we think can be pushed to a later date. This is stabilization of the site.

DEPRECIATION FUND

Senator HOEVEN. We don't budget some type of a sinking fund or depreciation fund for these big projects? We just, as they come up and need to be funded, look at them and build them into the budget? That's how it's always been done?

Mr. AYERS. That is true, with one exception. Two or three years ago we did create a historic buildings revitalization trust fund that only resides on the House side of our appropriation today. We are

10 separate appropriations. One of those has a fund in which the House is investing money to take care of historic buildings. So, we have a portion of that in place in a part of our organization, not all of it in place.

Senator HOEVEN. So, that kind of depreciation doesn't cover everything. That's not designed to say, okay, we're going to set up a Capitol renovation fund or depreciation fund or sinking fund that would enable us to schedule out and plan how much we're going to spend year by year on these types of renovations or maintenance items.

Mr. AYERS. I think that the primary reason for that is that when we get very large projects, like a Capitol Visitor Center (CVC), or a renovation of the Cannon House Office Building that's coming up or renovation of a Russell Senate Office Building that we would expect in a number of years, those projects are so large that if we try to fund them out of our current budget bandwidth, then we're not able to do any other safety projects or any deferred maintenance projects.

So, the concept is setting a fund aside so that you have money to do these very large and seminal projects so that it doesn't take away from the budget bandwidth that's already in place today, a concept that we think is really important.

Senator HOEVEN. Thank you.

Senator NELSON. Well, thank you, Senator Hoeven.

HISTORIC PRESERVATION FUND

Mr. Ayers, in setting up a historic preservation fund without having identified specific projects means that almost anything could qualify for that fund. Is that fair to say? When we set up funds like this we run the risk of losing some control over prioritization of projects as we try to establish priorities going through this budgeting process. That was the concern I had. Not that I would worry about the House not being able to establish their own priorities, of course.

Senator NELSON. But the fact that we lose some control over that prioritization. Is that fair to say? That might be one of the reasons that they just might like to do that, too, huh?

Mr. AYERS. Well, certainly those funds can't be expended without the written authorization of the Appropriations Committee.

Senator NELSON. Sure.

Mr. AYERS. So, I think that's one way that the subcommittee can ultimately make the investment, but executing those funds they still have the control of whether you spend them or not.

Senator NELSON. But the prioritization might switch from this process to another process?

Mr. AYERS. I think that the potential is there for that to happen. I suspect we could put in controls or the Congress could put in some kind of control to ameliorate that.

Senator NELSON. Oh, I trust them. That's why we call them trust funds.

UTILITY TUNNELS

Senator NELSON. On the utility tunnels, I notice that you don't have any funding for the utility tunnel project. You still plan to

meet the schedule of the 2012 settlement agreement deadline for completing the corrective measures?

Mr. AYERS. Yes, Mr. Chairman. Our work is essentially finished. All of the citations except one have been closed by the OOC. And we've submitted, the necessary paperwork for them to consider closing the last one. So, we are ahead of schedule to complete that work by June of this year.

Senator NELSON. So, Ms. Chrisler, are you satisfied that the process is working and that it is getting closed, the citations are being withdrawn?

Ms. CHRISLER. The work that the AOC has been doing has been wonderful. And we've been working very well together. And, yes, we are satisfied that—

Senator NELSON. Everybody is playing nice with one another—

Ms. CHRISLER. Very nice.

Senator NELSON [continuing]. And getting everything all done.

Ms. CHRISLER. That's right.

ADDITIONAL COMMITTEE QUESTIONS

Senator NELSON. That's good. That's the way we want it.

That's all I wanted to ask.

[The following questions were not asked at the hearing, but were submitted to the Architect for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

ZERO-BASED BUDGETING

Question. Since each of the agencies within the legislative branch were directed to develop and present their fiscal year 2013 budget requests using a zero-based budgeting approach, I would like to hear from you about how this process worked within your agency.

Was this a helpful process or a hindrance in developing the budget request?

Were you able to find sustainable efficiencies that will result in continued savings over time, or one-time only savings?

Is this a process you will be able to replicate for future budget requests?

Answer. The Architect of the Capitol (AOC) made good strides in implementing zero-based budgeting with its fiscal year 2013 request. In fact, AOC has been successfully using zero-based budgeting for its capital projects budget for a number of years.

As in years past, in preparing its fiscal year 2013 request, the AOC performed an extensive prioritization process to analyze all capital projects, and requested those deemed to be the most critical due to condition assessments and congressional needs. AOC's Project Planning and Prioritization Process ranks every necessary project using the conditions of the facilities and the anticipated urgency with which we need to provide the levels of investment and maintenance required to ensure they remain safe, functional, and secure. The first priority, of course, is to ensure the health and safety of all those who work in and visit the Capitol campus. This "triage" process for facilities identifies the most serious issues first, which we assess carefully to develop solutions to fix the problems while also addressing necessary life-safety issues, security requirements, energy-savings opportunities, and historic preservation measures.

We also applied a zero-based budgeting philosophy as we developed the operations budget. Utilizing this approach presented challenges, but yielded positive results because, while the request includes mandatory payroll increases, AOC's fiscal year 2013 operations budget request largely holds operational spending at fiscal year 2012 levels.

In a true zero-based budget process, AOC would build the budget up from zero to the necessary level. This would have required increased resources and time. AOC adopted a modified approach that followed the intent of zero-based budgeting without requiring an increase in resources. Using this approach greatly assisted us in looking at the total program to ensure that our operations focus on obtaining best

value and increasing efficiencies while continuing to provide maximum support to the Congress. The key benefit of using zero-based budgeting in developing the fiscal year 2013 request was that we performed extensive analysis of historical, current and future costs, and prepared a budget to accommodate shrinking Federal budgets.

AOC plans to continue to mature its zero-based budget process through the increased use of cost accounting data and analysis. We also have “right-sized” our payroll request and will continue along those lines in future requests. AOC has always developed its capital project requests by examining the entire cost of a project. Through zero-based budgeting, we have increased emphasis in this area and will continue to perform in-depth analysis of the entire cost of projects. We have also increased our focus on cost-benefit analysis. We plan to continue to refine zero-based budgeting efforts to maximize use in future budget requests. Our initial efforts found some one-time only savings. Most efforts resulted in cost avoidances, that is, by doing things more efficiently, we were able to reduce the costs of carrying out operations, programs, or projects. We will continue to seek long-term efficiencies and savings as we know we need to do more with less. We continue to focus on improving our operations, and attempt to realize more efficiencies and save taxpayer money.

VOLUNTARY EARLY RETIREMENT AUTHORITY/VOLUNTARY SEPARATION INCENTIVE
PAYMENT

Question. The Committee provided guidance in the fiscal year 2012 appropriations legislation that each agency within the legislative branch should consider using Voluntary Early Retirement Authority (VERA)/Voluntary Separation Incentive Payment (VSIP) in order to reduce salary costs to the agency.

Were you able to utilize VERA/VSIP authority; and if so, was this a successful mechanism for reducing costs?

Are those savings realized immediately, or in the out-years?

Realizing that losing people who are eligible for retirement or early separation often means losing some of the best and brightest people with the greatest institutional knowledge within your organization, how have staffing reductions impacted your agency?

Do you have succession plans in place that allow for a smooth transition of responsibilities?

Answer. AOC applied for, and received approval to use VERA/VSIP authority for 2012; however, this authority was not used because, through a variety of other initiatives it has implemented, AOC will remain under the set payroll ceilings.

Internal reviews regarding the impact of implementing VERA/VSIP showed that a significant reduction in AOC workforce would have a corresponding impact on the number and level of services that the AOC provides to the Congress and the American people. In addition, any use of VERA/VSIP authority does not result in immediate savings, given the funding required. Savings, if any, would be realized in out-years.

Instead, through careful management of overtime, by changing employee work schedules, implementing a temporary, targeted hiring freeze, and managing when vacancies are filled, AOC has determined that it will be able to meet its fiscal year 2012 payroll without implementing VERA/VSIP.

These actions are not without impacts, for example, AOC has implemented a targeted hiring freeze. Because AOC has a broad talent base, we are maximizing the use of our existing workforce and their skill sets. However, this has placed a greater burden on all of our employees who are now required to complete additional tasks due to the unfilled vacancies.

AOC continues to examine additional personnel cost savings initiatives. As noted earlier, additional reductions in AOC workforce could have a corresponding reduction in the number and level of services provided to the Congress. Therefore, AOC is carefully studying a number of options and will consult with its Oversight Committees to ensure its prioritization of services matches the most pressing needs of the Congress.

To mitigate potential impacts on services, we would prioritize services, cross-utilize and cross-train employees, and provide regular and consistent communication with all customers in order to manage expectations as changes to the level and/or of services provided are adjusted.

AOC's talented workforce is the key to our success. We have succession plans at the appropriation level, and we are working to engage cross-functional teams, to implement best practices to help us become more efficient in our operations, and providing services across multiple jurisdictions to maximize the existing talents of our personnel and to further enhance efficiencies and reduce costs.

FISCAL YEAR 2013 BUDGET REQUESTS

Question. I realize that it is important for each agency to request what it believes is necessary in terms of funding for operations and projects without knowing how much funding will be available in the next budget cycle; however, it should be clear to everyone what path we are on given the fiscal situation still facing our country. Therefore it concerns me that each agency represented here today, except for the Open World Leadership Center, requested a budgetary increase for fiscal year 2013.

What would be the impact to each of your agencies if you were held to the fiscal year 2012 enacted level of funding?

What would be the impact of a reduction less than the fiscal year 2012 funding level?

At what funding level reduction could your agency no longer continue to provide the services you are required to provide without making significant changes to the agency and its mission?

Answer. As noted in the previous response, AOC's fiscal year 2013 operations request is essentially flat. The request does take into account mandatory payroll increases, but it largely holds AOC operational spending to fiscal year 2012 levels.

With regard to the fiscal year 2013 capital projects budget request, we worked to prioritize our efforts to ensure that every resource goes toward the most needed and most important work. For fiscal year 2013, our responsibilities also will include two very staff- and resource-intensive activities—preparing for the Presidential Inaugural ceremony, and orchestrating the postelection office moves in the House and Senate.

While AOC was able to reduce its budget request for capital projects in fiscal year 2013 to \$161 million, a 10-percent decrease from its fiscal year 2012 capital projects request, it does include several large Deferred Maintenance projects including Phase II of the Capitol dome restoration, the chiller replacement and revitalization of the refrigeration plant, and the stabilization of Union Square—a new requirement in fiscal year 2013.

If AOC were held to fiscal year 2012 funding levels, on the operations side, critical technology updates would again be postponed, which could jeopardize information technology system security and stability. In addition, important facility condition assessments that are vital to assessing the stability, safety, and functionality of our buildings would be delayed, resulting in an increased number of Deferred Maintenance and Capital Renewal projects. Other efforts such as AOC-wide life-safety and emergency preparedness training and programs, energy-savings initiatives, and public educational outreach through the Botanic Garden and Capitol Visitor Center would be severely curtailed or eliminated.

With regard to the capital projects portion of AOC's budget, freezing funding or cutting major restoration projects has lasting repercussions. The longer Deferred Maintenance or Capital Renewal projects are delayed, the conditions in the facilities will continue to deteriorate; deficiencies will grow more serious, and ultimately will be more costly to repair.

A number of life-safety improvements are also necessary, such as installing smoke detectors and fire alarms, as well as emergency generators and emergency lighting. Many elevators require complete refurbishment; the exterior stone on many of the buildings across the Capitol campus, including the Senate and Capitol buildings required extensive repairs and preservation; and in order to keep up with increasing demand, electrical system and heating, ventilation, and air conditioning (HVAC) updates are critical in the very near future. Additional consequences of not addressing looming Deferred Maintenance and Capital Renewal projects are the continued crumbling of facilities' infrastructure; a loss of historic artwork and architectural features; continued system and building failures; and security threats.

AOC fully recognizes that we must balance our stewardship responsibilities with fiscal restraint; however, if it is funded below the fiscal year 2012 budget levels, congressional facilities will continue to deteriorate causing an increase in operating budget levels and an increase in risk of facility or system failure that could directly impact congressional operations.

Despite the best efforts of AOC's talented craftsmen and women to anticipate and make needed repairs, as these buildings continue to age, they become more difficult and costly to maintain. Making necessary improvements requires significant investment, and today the backlog of Deferred Maintenance project totals more than \$1.6 billion.

As we developed this budget, we worked to prioritize our efforts to ensure that every resource goes toward the most needed work. In addition, we are continually finding ways of working faster, smarter, and cheaper. Our efforts to date have resulted in reducing the costs of carrying out our daily operations and projects. How-

ever, the reality is that receiving operating funding below fiscal year 2012 levels could result in a reduction of number and level of services that AOC provides to Congress and the American people. And, receiving capital project funding below the amount requested for fiscal year 2013 will result in increased risk of failure in terms of facility systems, infrastructure, security, and life-safety efforts. To this end, AOC's fiscal year 2013 budget reflects the highest requirements to try to prevent or delay malfunctions and/or failures.

LIBRARY OF CONGRESS

STATEMENT OF HON. JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS

Senator NELSON. Now, Dr. Billington, the floor is yours.

Dr. BILLINGTON. Thank you, Mr. Chairman Nelson and Senator Hoeven.

NEW LIBRARY LEADERSHIP

I think I should first maybe just introduce the four new faces, who lend fresh luster to our executive committee. I will begin with Mary Mazanec, the new head of the Congressional Research Service; David Mao, new head of the Law Library of Congress; Roberta Shaffer, head of Library Services; and Maria Pallante, the new Register of Copyrights. We're very fortunate in having them with us.

GRATITUDE FOR CHAIRMAN NELSON'S LEADERSHIP

So, Mr. Chairman and Mr. Hoeven first of all to you, Mr. Chairman. I understand this will be our last hearing with you, and I wish to express our deep appreciation for your outstanding service in the Senate and your many years of support for the LOC. The LOC, by the way, now collaborates with a number of Nebraska institutions—the University of Nebraska, Lincoln Library, Nebraska State Historical Society, Durham Museum, and others. The late Charles Durham was, in fact, the first private donor to our congressionally commissioned Veterans History Project which has now become the largest oral history project in American history.

I'm pleased to present our fiscal year 2013 budget request and to thank the Congress for having been the greatest patron of a library in human history, creating and expanding the reach of the LOC throughout every period of our history, viewing the LOC, as a unique institution of fundamental importance for our knowledge-based democracy. All of us at the LOC are deeply grateful for the support you've given to making America's oldest Federal cultural institution into the world's largest and most inclusive collection both of recorded human knowledge and of America's cultural creativity.

For fiscal year 2013 we are seeking funding just to maintain current core services adjusted for inflation at the reduced fiscal year 2012 level. We have asked for no program increases, and the requested funding will allow the LOC time to conclude the intensive IT and zero-based budget review that is now underway and was called for in the House report for fiscal year 2012. Over the next year, the results of this review will inform our decisions and resource allocations that are needed to preserve and enhance priority mission functions in the smaller budget times.

I have my written statement. I have itemized the major works we've been able to do even with the budget reductions in fiscal year 2011 and the added ones in fiscal year 2012.

In our effort to absorb the fiscal year 2012 appropriations reductions, we offered a voluntary separation incentive program, accepting early retirement for 186 staff, which nonetheless meant losing

the institutional memory of important and one of a kind curators and technicians. We have been using the realities of the current budget environment to strengthen our program to get the various parts of the entire LOC community to work together more economically and effectively by adopting and reinforcing LOC-wide strategies.

Under our experienced Chief of Staff, Robert Dizard, Jr., we have made major strides in improving LOC's Web presence in the unifying effort better to bring together resources and scholarly expertise from all across LOC. We're in the process of making important structural changes that will more fully integrate our digital and analog resources.

I want to especially mention, if I could, and to the distinguished representative leader of the AOC, our need for funding, in his budget, for Module 5 for preservation and storage at Fort Meade. This is essential if we are to continue to acquire and preserve our uniquely comprehensive collections and to make them rapidly accessible for the Congress and the American people.

Our fiscal year 2013 request is, in essence, a petition not to deepen further than we already have the reductions in LOC's budget, which could put our core services at greater risk. Reductions have already cut deep into LOC's muscle. We ask that they not be allowed to cut further on into the bone.

Two of our most pressing national American needs for security and economic competitiveness are increasingly dependent on an expanding base of knowledge and its accessibility. The LOC is in many ways a peaceful national arsenal for the information age that we are living in.

PREPARED STATEMENT

So, Mr. Chairman and Mr. Hoeven, thank you again for your support of the LOC and for your consideration of our fiscal year 2013 request. I cede back the remaining seconds.

[The statement follows:]

PREPARED STATEMENT OF DR. JAMES H. BILLINGTON

Mr. Chairman, Mr. Hoeven, and members of the subcommittee: I am pleased to present the Library of Congress (LOC) fiscal year 2013 budget request.

The Congress of the United States has created and sustained its library, the Nation's library, for 212 years, through every period of our history. The Congress has viewed its library—America's oldest Federal cultural institution—as a unique institution of fundamental importance for our knowledge-based democracy. Mr. Chairman, all of us at LOC are deeply grateful for the support you give to this, the world's largest and most inclusive collection of recorded human knowledge and of America's cultural creativity.

LOC's mission is to support the Congress in fulfilling its constitutional duties and to further the progress of knowledge and creativity for the American people. Our fiscal year request for 2013, Mr. Chairman, respects the need for budgetary austerity and asks for what is truly important for America in this information age.

We are seeking funding just to maintain current core services, adjusted for inflation, at the reduced fiscal year 2012 level. We have asked for no program increases. The requested funding will allow the LOC time to conclude the intensive information technology (IT) and zero-based budget review, now underway, that was called for in the House report for fiscal year 2012. Over the next year, the results of the review will inform our decisions on resource allocation that are necessary in order to preserve and enhance priority mission functions within smaller budgets.

In fiscal year 2011, we were able to continue these services with reduced resources as follows. It enabled us to:

- Responded to more than 763,000 congressional research requests, delivering to the Congress more than 1 million research products and approximately 30,000 items directly from the LOC's collections;
- Registered more than 670,000 claims to copyright;
- Provided reference services to more than 500,000 individual users;
- Led a nationwide effort with more than 19,000 teachers throughout the country to advance K–12 students' understanding of American history and culture by providing 20 million primary documents from our collections online free of charge;
- Circulated more than 25 million items to more than 800,000 blind and physically handicapped Americans;
- Gave state-of-the-art preservation treatment to 10.7 million items in the collections; and
- Welcomed nearly 1.7 million visitors to our exhibits and public facilities here on Capitol Hill.

In response to the appropriations reductions in fiscal year 2012, and in an effort to absorb the reductions without damaging the LOC's mission-critical programs, we offered a voluntary separation incentive program, accepting early retirement for 186 staff—which nonetheless meant losing institutional memory in some highly specialized areas of research and curation.

As a result of the fiscal year 2012 reductions:

The Congressional Research Service (CRS) eliminated 40 positions and decreased its investments in IT, research materials, and professional development activities. With fewer resources, we are increasingly challenged both to maintain the quality and timeliness of response that characterize CRS work and to ensure coverage of all issues for the Congress.

The Copyright Office made significant cutbacks in its IT budget and reduced or delayed hiring, because receipts were lower than expected and because appropriated funding was reduced. As a result, critical upgrades to the electronic registration service that directly supports copyright commerce will take a longer period of time to put in place and raise concern about a potential new backlog in copyright claims processing, adversely affecting both authors and users of copyrighted materials.

The law library lost four key positions (including a senior foreign law specialist for Canada) and is concerned about sustaining its historic ability both to recruit expert foreign legal specialists for important jurisdictions and to acquire current and new foreign legal and legislative material needed to respond to congressional requests.

Library Services lost 50 staff in the Acquisitions and Bibliographic Access Directorate alone—the most basic of LOC's services—along with other reference and public service staff. Budget reductions in fiscal year 2012 have led to the postponement of purchasing switches and routers needed to archive video of Senate floor proceedings and have delayed installation of compact shelving at the Packard Campus facility.

For the National Library Service for the Blind and Physically Handicapped, unless \$6 million in no-year funds for playback machines can be reprogrammed to allow the purchase of content media cartridges, the shortage of funds for flash cartridges will disrupt the Digital Talking Book program production cycle, and could dramatically affect the delivery of digital books and magazines to patrons and slow the analog-to-digital conversion of retrospective titles.

I have listed some of the impacts, but there has also been an important strategic bright spot amid the practical difficulties posed by our current budget environment: it has encouraged the entire LOC to work better together in pursuit of LOC-wide strategies. We have made major strides in improving the LOC's Web presence in a unified effort that has brought together resources and expertise from across the LOC. We are in the process of making robust structural changes that will more fully integrate our digital and analog resources.

I also want to make special mention again of our need for funding in the Architect of the Capitol's budget for Module 5 at Fort Meade. This is an essential element of our increasingly pressing collections management and access requirements.

Our fiscal year 2013 request is, in essence, a petition not to deepen the reductions in the LOC's budget and put our core services at greater risk. Reductions have already cut deep into the LOC's muscle. We ask that they not be allowed to cut into bone.

Mr. Chairman, the Congress of the United States has been the greatest patron of a library in human history. Each year, its LOC is privileged to serve directly every Member of Congress, every congressional committee, and millions of Americans, often in ways that would otherwise be unavailable to them. We want to continue these services. We, as a Nation, need this institution, which serves as the sole

keeper of both the mint record of America's copyrighted creativity and of the world's greatest repository of preserved and curated knowledge.

Mr. Chairman, Mr. Hoeven, and members of the subcommittee, I thank you again for your support of the LOC and for your consideration of our fiscal year 2013 request.

PREPARED STATEMENT OF MARY B. MAZANEC, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

Mr. Chairman, Senator Hoeven, and members of the subcommittee: I want to begin by saying what an honor it is to have been appointed Director of the Congressional Research Service (CRS) by Dr. Billington last December. This—my first presentation on the CRS budget before this subcommittee—is an opportunity for me to describe some of the accomplishments of the past fiscal year, plans for the future, and the truly unique work of the dedicated staff of CRS.

SUPPORT FOR THE CONGRESS

Major world and national events and an active legislative agenda demanded much of CRS staff this past year. Despite significant staff reductions and cutbacks in other resources, I believe we were able to successfully accomplish our mission of providing objective and authoritative information and analysis of the issues before the Congress. Let me outline briefly some of the major areas in which we provided support to the Congress last year.

The state of the economy dominated much of the legislative agenda and will probably continue to be an overarching issue in 2012 and beyond. CRS policy analysts and economists analyzed options to provide economic stimulus, create jobs, assist the unemployed, and reduce the deficit. We provided briefings and seminars on the sustainability of the debt and deficit, approaches to address the budget deficit and methods to stimulate economic expansion. CRS budget and congressional procedural experts produced a series of products on the operation of the Budget Control Act of 2011 and its implications for agencies and programs.

CRS tracked and analyzed rules and regulations implementing financial reform legislation and provided legal analyses of aspects of the new financial regulatory structure. Analysts conducted several seminars on banking and financial intermediation and the basics of the financial system. Economists and policy experts analyzed the implications of the economic challenges facing the Euro zone countries for the United States economy and world financial stability. Reauthorization of the Export-Import Bank and policies surrounding China's currency were issues of interest that will carry over into this session of the Congress.

CRS foreign policy and military experts were called upon to analyze volatile and quickly changing events in the Middle East and North Africa. Egypt, Syria, Libya and other countries in the region have entered an era of rapid, dramatic, and fundamental change with implications for the region as a whole and for the United States. CRS specialists also provided support on United States strategy in Afghanistan and Iraq, including governance and security issues following drawdown of United States presence in both countries. American involvement in North Atlantic Treaty Organization (NATO) military operations in Libya raised questions of war powers and options facing the NATO-led coalition forces.

Reauthorization of the anti-terrorism tools in the USA PATRIOT Act prompted requests for legal and policy analyses of the scope of the Government's law enforcement authorities in the national security context and the application of the state secrets privilege in litigation. Attorneys also analyzed the detainee provisions in the recently enacted National Defense Authorization Act. The debate over the Federal Aviation Administration reauthorization saw CRS analysts addressing such issues as air traffic control modernization, fuel tax proposals, and transportation security.

Several devastating natural disasters at home and abroad—from flooding and wildfires to the Japanese earthquake and tsunami—prompted congressional interest. CRS provided information and analysis on Government disaster relief programs and the relief operations of the Army Corps of Engineers. Analysts also evaluated the implications of the Japanese nuclear incident for United States nuclear energy policy and the safety of nuclear reactors.

The Supreme Court will be ruling this term on the constitutionality of key provisions of the healthcare legislation as well as the authority of States to legislate in the area of immigration. Both of these controversial issues have been features of the legislative agenda for the past two Congresses and have occasioned legal analyses by CRS attorneys. The decisions are certain to generate much congressional interest

and have implications for not only the operation of programs directly implicated but also for the scope of congressional power.

CRS legislative procedure experts completed a major revision of a Senate committee print on cloture. Last updated in 1985, the revision included much additional analysis and numerous case studies of the cloture process. Analysts and attorneys also supplied legal and historical analyses of the recess appointment power both preparatory to and in the wake of the President's recess appointments in January.

Many of the issues recounted will continue to be of interest to the Senate and the Congress in this session. CRS recently completed its annual legislative planning process for the second session of this Congress. We identified more than 160 issues likely to be before the Congress and organized our product line and web resources around those issues. We have been meeting with leadership offices to ensure that CRS is well positioned to support the Congress' legislative agenda.

Our support for the Congress spans the entire legislative agenda and our expert and multidisciplinary staff are ready to provide confidential tailored memoranda and personal briefings, more widely available CRS Reports for Congress, seminars and programs on the legislative process and topical issues, and information and advice in response to a phone call or email. CRS is also making strides in providing access to its expertise and information via the technological tools that our clients rely on to do their work.

While we are operating under increased budget pressures in technology and research resources, we continue to enhance the functionality of our Web site. CRS.gov is the gateway to all CRS analytical and informational resources, including our analysts and informational professionals. A useful and accessible Web site is an efficient way to deliver CRS services and expose clients to all that CRS has to offer. This past year we have introduced customization capabilities which enable users to create accounts and tailor the information they would like to receive from CRS, get updates on new products, programs and changes to the Web site, and facilitate their placing specific requests. We have also made it easier for users to focus more quickly on notable CRS products, featured topics that are dominating the legislative agenda, and to have access to basic data resources that complement the analytical content of CRS reports.

We are currently in the process of examining more robust search capabilities and ways to make CRS subject-matter experts more accessible to our clients. We have also enhanced the mobile Web site and continue to explore ways to make CRS material more accessible on the variety of mobile devices that have become such an important part of the way Members and staff access information.

CRS is also repurposing the Senate Research Center (SRC) in the Russell Senate Office Building into an education and outreach facility to better serve our clients. Members and their staff should find it more convenient to attend CRS seminars and briefings, and to meet with CRS experts in the SRC. CRS expects to begin offering an expanded list of events from the SRC in early spring 2012.

FISCAL YEAR 2013 BUDGET REQUEST

The CRS budget request for fiscal 2013 is \$109.2 million, with almost 90 percent devoted to salary and benefits for our staff. CRS continues to operate at its lowest staff level in more than three decades and we lowered our hiring ceiling by 40 positions in fiscal year 2012. The small percentage of nonpay expenditures is limited to basic support for research and analysis. This request is mindful of the difficult fiscal issues facing the Congress and does not include funding for additional specialized technical skills and policy expertise that would be helpful in meeting the growing policy demands placed upon the Congress.

CONCLUSION

I want to close by reiterating what an honor it is to have been named Director of CRS. I am aware of the great responsibility of CRS to provide objective and non-partisan assistance to the Congress and I am committed to following in the footsteps of my distinguished predecessors. I believe that this mission of contributing to an informed national legislature is even more vital and important today as the Congress is exposed to a flood of information from all sides and Members must sort through the myriad of voices that vie for their attention in order to make sound policy choices. I intend to ensure that CRS remains the Congress' primary source for the analysis and information that it needs to perform its legislative functions and that we continue to explore new and innovative ways we can best serve—as shared staff—the committees of the Congress, Members, and their staffs. I thank you for your continuing support.

PREPARED STATEMENT OF MARIA A. PALLANTE, REGISTER OF COPYRIGHTS AND
DIRECTOR, UNITED STATES COPYRIGHT OFFICE

Mr. Chairman, Mr. Hoeven, and members of the subcommittee: Thank you for the opportunity to present the fiscal year 2013 budget request of the United States Copyright Office. We deeply respect the need to engage in responsible fiscal management in these austere times.

The Copyright Office, already a lean operation, does not seek additional full-time equivalents or funding for new projects, but we do hope to ensure that our existing staff is compensated competitively so as to maintain a strong, talented workforce that will sustain the Copyright Office in the 21st century. As copyright issues become more ubiquitous, and as the office charts a course for the future, it will need to pursue intelligent growth to ensure that it can meet the needs of the national copyright system well into the future.

For fiscal year 2013, the Copyright Office requests a total of \$52.772 million, offset by fee collections of \$28.029 million, and licensing royalty collections of \$5.582 million, applied to the office's Licensing Division and the Copyright Royalty Judges. Specifically, our requests are as follows:

- A 2.2-percent increase (\$0.999 million) more than fiscal year 2012 to support mandatory pay-related and price level increases affecting administration of the office's core business systems and public services;
- A 1.8-percent increase (\$0.093 million) more than fiscal year 2012 in offsetting collection authority for the Copyright Licensing Division to support mandatory pay-related and price level increases affecting the administration of the office's licensing functions; and
- \$2 million to restore the Copyright Office's base funding.¹

PROGRAM OVERVIEW

The U.S. Copyright Office plays a critical role in promoting and disseminating American works of authorship and in sustaining large and small businesses in the information, entertainment, and technology sectors. It administers the national copyright registration and recordation systems (and exercises associated regulatory authority) in accordance with title 17 of the U.S. Code. The office's registration system and the companion recordation system constitute the world's largest database of copyrighted works and copyright ownership information.

COPYRIGHT AND THE ECONOMY

In terms of the larger U.S. economy, many authors, composers, book and software publishers, film and television producers, and creators of musical works depend on the registration system to protect their creative works and business interests. Based on a study released in 2011 using data from 2010,² these core sectors—whose primary purpose is to produce and distribute creative works—account for more than 6.36 percent of the U.S. domestic gross product, or nearly \$932 billion. The core copyright industries also employed 5.1 million workers (3.93 percent of U.S. workers), and that number doubles to more than 10.6 million people (8.19 percent of the U.S. workforce) when the workers that help and support the distribution of these works are added into the equation.

LAW AND POLICY

The Register of Copyrights is the principal advisor to the Congress on issues of domestic and international copyright policy. She works closely with both copyright owners and users of copyrighted materials to sustain an effective copyright law—on issues ranging from enforcement to fair use.

Through its policy work, the Copyright Office provides leadership and technical expertise to ensure that the copyright law stays relevant and updated, not only to protect authors in the 21st century, but also to ensure updates for users of copy-

¹The enacted budget for fiscal year 2012 directed the Copyright Office to utilize no-year funding (collected from fees for services) to offset expenses, effectively reducing our spending ratio of appropriated dollars to fees at the same time that fees and receipts were lower than anticipated. To ensure sufficient funding for operations in fiscal year 2013, including the ability to cover necessary staffing and critical technology upgrades when fees fluctuate, the office requests restoration of its base appropriations. As outlined in *Priorities and Special Projects of the United States Copyright Office: 2011–2013* (www.copyright.gov/docs/priorities.pdf), the office is in the midst of a multi-year evaluation of fees, services, technology, and other issues that will inform its future strategies for intelligent growth.

²Stephen E. Siwek, *Copyright Industries in the U.S. Economy: The 2011 Report*, prepared by Economists, Inc. for the International Intellectual Property Alliance (2011).

righted works. These include appropriate exceptions for libraries, persons who are blind, and certain noncommercial educational activities.

The Copyright Office participates in important U.S. trade negotiations relating to intellectual property (e.g., treaties and free trade agreements) at both the bilateral and multilateral levels. It also works with the Department of Justice (DOJ) on critical copyright cases.

Fiscal Year 2011

In fiscal year 2011, the Office provided ongoing assistance to the Congress on a number of complex issues and delivered a major study on market-based alternatives to statutory licenses for cable and satellite retransmission. The Register testified twice on major copyright legislation regarding:

- enforcement measures to combat the operators of illegal, infringing Web sites trafficking in infringing copyrighted works, such as movies, music, books, and software; and
- new provisions that would update the criminal penalties for infringement of the exclusive right of public performance that occurs through the streaming of the work (e.g., a television program or live sporting event) to make the penalties similar to those for infringement based on the distribution right.

The Office participated in major negotiations at the World Intellectual Property Organization and with major trading partners. On the litigation front, DOJ called upon the office on several important issues, including challenges to the constitutionality of copyright law amendments, interpretation of the first sale doctrine, and issues related to the importation of copyrighted works.

REGISTRATION AND RECORDATION

The copyright registration and recordation systems protect, and document for the public, a diverse array of American authorship, including motion pictures, software, books, musical compositions, sound recordings, photography, and fine art, as well as databases, Web sites, and other online works. The Office reached a significant milestone in fiscal year 2011 by returning to normal levels of processing and claim completion and eliminating the backlog. At the start of fiscal year 2011, it had approximately 380,000 claims awaiting processing, and received an additional 539,332 claims. The office closed 734,256 claims during the year—nearly 195,000 more than it received. It ended the year with its standard workload of approximately 185,000 claims on hand, of which approximately one-half are awaiting further action from the claimants and one-half are awaiting Office action. Those in the Office's working queue will, on average, be processed within 2 to 4 months, depending on the complexity of the claim.

LICENSING

The Copyright Office helps administer certain compulsory and statutory license provisions of the U.S. Copyright Act, which pertain to setting royalty rates and terms and determining the distribution of royalties for certain copyright statutory licenses. These licenses cover activities including secondary transmissions of radio and television programs by cable television systems and secondary transmissions of network and non-network stations by satellite carriers. The Office's primary clients with respect to the statutory licenses are copyright owners and users of copyrighted works that are subject to statutory copyright licenses. The Office is responsible for collecting and investing royalty fees for later distribution to copyright owners, examining related documents, providing information to various constituencies as part of its public affairs program, and recording documents for several licenses for which royalties are handled by outside parties.

In fiscal year 2011, the Office's Licensing Division collected nearly \$326 million in royalty fees and distributed approximately \$144 million in royalties to copyright owners, according to voluntary agreements among claimants or as a result of determinations of the Copyright Royalty Judges. The Division also began a multiyear business process re-engineering program designed to decrease processing times for statements of account, implement on-line filing processes, and improve public access to Office records. The new processes will be implemented and refined throughout fiscal years 2012 and 2013.

ACQUISITIONS

The Copyright Office also administers the mandatory legal deposit of works published in the United States. In fiscal year 2011, the Office managed the deposit of more than 700,000 copies of creative works for the Library of Congress' (LOC) collec-

tion, which LOC would otherwise have had to purchase, valued at approximately \$31 million.

Because more and more journals, magazines, and newspapers are “born digital”, the Copyright Office has led a LOC-wide effort to obtain and manage serials that publishers supply only in electronic formats. Although the project currently focuses on mandatory deposit provisions under title 17—provisions that require publishers to deposit copies of certain works with LOC within 3 months of publication—it serves as a test bed for the intake of works by LOC through other mechanisms, including the registration system. The Office’s current work sets the stage for LOC’s electronic acquisition strategy, which will ultimately enhance and diversify LOC’s collections to capture and reflect American Internet culture.

PRIORITIES FOR A 21ST CENTURY COPYRIGHT OFFICE

Fiscal Year 2012

On October 21, 2011, the Register of Copyrights released *Priorities and Special Projects of the U.S. Copyright Office* (www.copyright.gov/docs/priorities.pdf), a comprehensive document that articulates the significant statutory duties of the Office as well as expectations of the copyright community. This document received tremendous positive feedback from a wide array of copyright stakeholders and the media. It includes everything from strategic evaluation of technical systems to planning for intelligent business growth for the future to updating the *Compendium of Copyright Office Practices*—the primary source of registration practice followed by Copyright Office staff, the public and courts—for the digital era.

The communication of these priorities and special projects represents a commitment from the Office to address complexities in the copyright system and prepare for future challenges. The Office will use the priorities document as a roadmap to improve the quality and efficiency of its services subject to the availability of budgetary resources. The document outlines the Office’s work on current and future law and policy questions including orphan works, small claims solutions for copyright owners, mass book digitization, illegal streaming, collaboration with WIPO, and updates to registration practices to accommodate works created online. The office will also undertake improvements to operations including:

- technical upgrades to electronic registration;
- increased public outreach and copyright education; and
- re-engineering of its recordation system.

The following are some of the specific policy projects the Office has completed or commenced in fiscal year 2012:

- an analysis of legal issues relating to mass book digitization, the Google book search litigation, and applicable licensing models;
- a major study and recommendations to the Congress regarding copyright protection for pre-1972 sound recordings;
- research and analysis of small claims solutions for individual authors and other copyright owners;
- a rulemaking on exceptions to the prohibition on circumvention of measures controlling access to copyrighted works for ultimate determination by the Librarian of Congress (pursuant to the Digital Millennium Copyright Act); and
- the development of an updated fee schedule that takes into account the Office’s fiscal requirements as well as the objectives of the copyright system.

The Register of Copyrights will serve on the negotiating team for the United States for a major treaty to protect performers in the context of audiovisual works at a Diplomatic Conference to be held in June 2012 in Beijing, and will provide treaty implementation advice to the Congress, as appropriate.

Finally, the Office will continue to evaluate, streamline, and otherwise improve its public services, including processing times and quality assurance for the examination of copyrighted works, processing of claimant information, and issuance of copyright registration certificates.

Fiscal Year 2013 and Beyond

Fiscal year 2013 will be an extremely important year for the Copyright Office. The Office will continue its implementation of the Register’s priorities and special projects; the research and analysis phase of many of these projects will conclude by or before October 2013. Some of these projects relate directly to the stewardship and effective operation of the Nation’s copyright registration system in the 21st century, and will yield important data to inform the Office’s focus and strategies for fiscal years 2014–2018.

The Office will address the implementation of its fee schedule and associated practices early in fiscal year 2013, following research in fiscal 2011 and 2012, and

public consultation and delivery of a major study to the Congress on the topic in fiscal year 2012.

The Office will also conclude a major analysis of the technical aspects of registration and recordation in fiscal year 2013, including crafting a strategy to address certain technology, portal, and processing issues about which it is studying and consulting with stakeholders and experts in fiscal year 2012. It will continue the critical work of ensuring standards for repositories of electronic works of authorship, and digitizing historic copyright records from the period of 1870 to 1977 and making them searchable online.

The Office will continue its work on major negotiations for intellectual property protection in the Asia-Pacific rim and other regions of the world, and continue major work on the implementation of worldwide protection for performers in audiovisual works. It will work with the Congress on a number of major studies and policy developments, including orphan works, revisions of certain exceptions to copyright (including for libraries), mass digitization policy, and final work on small claims solutions for copyright owners (with a major study due to the Congress in October 2013). The office will publish portions of a major revision of its lengthy *Compendium of Copyright Office Practices* during fiscal year 2013, and release the final publication in October 2013.

CHALLENGES OF THE CURRENT FISCAL ENVIRONMENT

The Office is navigating an increasingly challenging budget environment. Since fiscal year 2010, it has absorbed a 22.7-percent reduction in its appropriation, partially offset by using \$2 million in carryover funds, resulting in an effective cut of 13.1 percent. The overall effect was a 7-percent reduction in total budget authority which takes into account offsetting collections. In fiscal year 2012, a reduced appropriation, as well as collections that were lower than expected, required the Copyright Office to make significant cutbacks. The Office substantially reduced its information technology budget, slowing critical upgrades to the Office's electronic registration service that directly supports copyright commerce and affects both authors and users of copyrighted materials. The Office also reduced its workforce by 44 staff members through Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments programs.

Although the Office is currently understaffed, it has taken steps to delay or reduce new hiring and to reduce training, travel, supplies, and new equipment expenditures. The Office is concerned that continued funding challenges could have an adverse impact on the Office's registration program, potentially leading to another backlog of copyright claims awaiting processing. It successfully eliminated a backlog in fiscal year 2011 that had occurred as a result of its transition to electronic processing in 2007. Further reductions will also lead to an adverse impact on its ability to participate in international negotiations and other policy efforts that are important to U.S. trade interests. The Copyright Office is committed to intelligent growth, recognizing the need to develop and implement a clear business strategy that takes into account the needs of the national copyright system, while exercising sound fiscal judgment.

FEEES FOR SERVICES

On October 1, 2011 the Office commenced a study of the costs it incurs and the fees it charges with respect to the registration of claims, recordation of documents, and other public services, pursuant to its authority under 17 U.S.C. 708(b). The statute requires that the Office establish fees that are "fair and equitable and give due consideration to the objectives of the copyright system." 17 U.S.C. 708(b)(4). Such objectives include, for example, protecting creative works of authorship, ensuring a robust public database of authorship and licensing information, and facilitating the recovery of reasonable costs incurred by the Office.

As noted previously, the Office will deliver the fee study to the Congress in fiscal year 2012, with implementation as appropriate in fiscal year 2013.

CONCLUSION

Mr. Chairman, I want to thank you for your consideration of our budget request today and for the subcommittee's past support of the U.S. Copyright Office. Thank you in particular for considering the funding we require to sustain a first-rate staff and meet necessary expenses, enabling us to perform our core duties under the law and build the infrastructure necessary to support America's copyright system in the years ahead.

Senator NELSON. Thank you.

Senator, would you like to go first?

Senator HOEVEN. That's fine. Go ahead, Mr. Chairman.

Senator NELSON. Dr. Billington, first of all, I want to commend you for submitting a budget that is as lean as you're suggesting. I appreciate how difficult it is to do that under our fiscal constraints regardless. It reflects a 2.8-percent increase, is truly bare bones, and we certainly don't want to cut through the bones as well as through the muscle.

Now, it provides for minimal growth. Perhaps you could tell us, what sorts of priorities LOC is deferring into the future simply because of a leaner budget?

BUDGETARY CONSTRAINTS AND THE DEFERRAL OF PRIORITIES

Dr. BILLINGTON. Well, there's quite a list. Let me just mention——

Senator NELSON. Just a few.

Dr. BILLINGTON [continuing]. Just a few. We lost 22 reference staff, and additional budget cuts will result in reduced levels of reference. We've lost 50 in acquisitions and bibliographic access, which is the absolutely most fundamental thing in the entire business of having orderly and available LOC services. We estimate, because of these losses, that catalog records will decrease by about 50,000.

The entire LOC system depends on LOC cataloging, Mr. Chairman. It actually costs more to catalog a book properly than it does to buy it, and the Nation depends on this service we provide. The delayed processing of copyright registrations also will eventually lead to an arrearage, a problem we've overcome recently.

CRS has the most serious problem. CRS no longer has the flexibility to shift resources to develop new analytic capacities in accordance with the congressional schedules and needs. It lost 40 people, and the professional expenditures for development and training to cover the broader spectrum of areas that individual analysts have to cover, also will increase.

There is a lot of loss here and I'd like to go on, but there are very specific things we can point to, economics, healthcare, energy, and the copyright policy experts who directly address the important international questions, both domestically and internationally. IT security—for which we did not request any funding—had to be reprogrammed and we allocated substantial resources from other areas of the budget to cover IT security requirements.

AFFORDABLE ACCOMMODATIONS FOR LIBRARY VISITORS

I should point out that what we have accomplished in the past year is that we have completed private fundraising for conversion of a nearby building here on Capitol Hill into affordable temporary housing, for the reconstruction of the building that the Congress bought long ago.

Thanks to cooperation with the AOC, this renovated facility will enable access to the collections and the resources of LOC to teachers around the country who are using our primary source teaching material. We've trained an awful lot of teachers this past year. They want to come to use our collections, but they can't afford it. Interns are discovering in the copyright deposit collections enor-

mous treasures of the American past. The lack of affordable residential housing makes it difficult for such interns to come to LOC.

Just yesterday I received a letter from a distinguished Muslim scholar in Western Europe whom we were very anxious to bring here, who could offer us quite a mixed perspective. And he just couldn't afford to come because he couldn't find inexpensive temporary housing. Visiting scholars, teachers, and interns are of capital importance for making the best use of the unique national resources that LOC holds. The inability to house these visitors is creating a great deal of difficult choices, which we will make, but the need is becoming crucial.

FUNDING FOR FORT MEADE

Senator NELSON. One further question. On that, what would be the impact of not funding the Fort Meade collections transfer program? If we didn't fund that, what would be the implications?

Dr. BILLINGTON. Extending support for the transfer of collections to Fort Meade is separate and apart from the rationale for Module 5, which is that we have 1 million books sitting on floors now that are increasingly difficult to access. But extending support for the transfer of collections to Modules 3 and 4 also is essential.

PUBLIC/PRIVATE CAPITAL INVESTMENTS

And I might mention, by the way, that we were able to create the entire new Packard Campus, that was a \$150 million project—actually, worth a lot more than that because of donated expertise—that is a major capital investment of the kind AOC was pointing out as difficult to produce with annual funding. But Packard Campus funding and the private funding which also is creating the affordable residential scholar center for teachers all over the country who want to come and see the originals of what they're teaching in the classroom, all of that has been done with private funding. The requested \$1.7 million is simply to extend the period of time to complete the collections transfer to Fort Meade Modules 3 and 4 and provide interim storage for collection materials at the Land-over Center Annex.

So, this funding is important, but only a stopgap measure for new capital investments are made. The compact storage modules at Fort Meade are much more economical for the long term and meet preservation standards for storage. Just as the Packard Campus is giving us the possibility of both storing and preserving and making accessible basically the national patrimony of radio, television, movies, and recorded sound in a way that is for the ages because the capacity there is enormous, the new residential facility will be affordable—for young scholars, for people that are working with the world digital library that we're helping produce, who want to come from all over the world and all over the United States because of what there is here. They're not able to use it because there is no inexpensive and convenient place to stay. And we estimate roughly that the center will be able to accommodate about 2,500 of these short-term stays each year.

This facility will make a huge difference in the contribution to K through 12 education. Our Web site, with its immense amount of material online, primary documents, is enabling teachers to see

the originals and pass on the enthusiasm and inspiration that comes from seeing the originals. They then can go back to struggling schools all over America and teach.

Those capital investments have been handled on the private side. They're very important for the long haul for our own health and also for the gathering of the kind of information we really need in this information age. By the way, the differential between what the LOC has and what other places have is increasing because the strain on other libraries throughout America is increasing. Both private and public libraries are suffering. Therefore, if we don't get the storage that we have requested, we will have to cut back on acquisitions. And that hurts the whole country which depends on the depth and diversity of our collections.

Senator NELSON. Well, thank you. Thank you.

Senator Hoeven.

LIBRARY PRIORITIES AND FUNDING REDUCTIONS

Senator HOEVEN. Thank you, Mr. Chairman.

Dr. Billington, it looks like your budget request is about a 2.8-percent increase. And I know that in your case, it's very challenging to hold the line and find savings in your budget because it's largely people intensive, and that makes it very challenging. But as was the case last year, I think we're going to end up working within a number that is going to be less than the budget submissions that we have here.

So, in terms of your budget, how would you prioritize to try to find additional savings? Would you look at specific programs? And if so, which programs? Are there some things you can do across the board? What do you do if you have to find some more savings in this budget versus the 2.8-percent increase?

Dr. BILLINGTON. I'm sorry. Would you repeat your question?

Senator HOEVEN. I'll try once again. Your budget increase is 2.8 percent. We may not be able to increase your budget by 2.8 percent. If so, how would you start to identify savings? Are there some programs you would look at? Would you look at across-the-board savings? How would you try to identify additional savings beyond the 2.8-percent increase that you submitted in your budget?

LOSS OF CRUCIAL STAFF THROUGH RETIREMENT INCENTIVES

Dr. BILLINGTON. Well, it's very difficult. We created \$11 million of cost avoidance with the buyout, but, of course, that's a purely voluntary option. I have no authority to really encourage people either to apply or not to apply for such an option. We lost some very crucial people. We'll give you, for the record, a list of people that we lost.

[The information follows:]

LIBRARY OF CONGRESS FISCAL YEAR 2012 EARLY OUT (VERA)—BUYOUT (VSIP) PARTICIPATION

Organizational unit	Position title
Library Services [LS]:	
LS—ALLS—AFC—Veterans History Project:	
Library Technician	1
LS—Acquisitions and Bibliographic Access [ABA]	
Librarian	35

LIBRARY OF CONGRESS FISCAL YEAR 2012 EARLY OUT (VERA)—BUYOUT (VSIP) PARTICIPATION—
Continued

Organizational unit	Position title
Library Technician	17
LS—Collections and Services [CS]:	
Archivist	1
Collection Protection Work Leader	1
Computer Operator	1
Librarian	14
Library Technician	9
Material Handler	1
Secretary	1
Supervisory Librarian	1
Technical Information Specialist	1
Technical Support Assistant	1
LS—CS—Packard Campus NAVCC:	
Librarian	1
LS—Partnership and Outreach Programs [POP]:	
Writer-Editor	1
LS—Preservation [PRES]:	
Librarian	3
Office Automation Assistant	1
LS—Technology Policy (Tech):	
Information Technology Specialist	2
Librarian	1
National Library Service for the Blind and Physically Handicapped:	
Library Technician	2
Office Automation Assistant	1
Warehouse Worker	1
Office of Strategic Initiatives:	
Computer Assistant	2
Information Technology Specialist	4
Law Library:	
Foreign Law Specialist	1
Librarian	1
Library Technician	1
Supervisory Librarian	1
Office of the Librarian: Senior Congressional Relations Specialist	1
Office of the Chief Financial Officer:	
Senior Operating Accountant	1
Office of Support Operations:	
Human Resources:	
Administrative Officer	1
Administrative Specialist	1
Human Resources Specialist	1
Integrated Support Services [ISS]:	
Fire Prevention Engineer	1
Motor Vehicle Operator	1
Safety Specialist	1
Visual Information Specialist	1
ISS—Logistics:	
Motor Vehicle Operator	1
Program Specialist	1
Warehouse Worker	1
Warehouse Worker Leader	1
ISS—Facilities: Food Service Worker	1
Copyright Office:	
Copyright—Basic:	
Accounting Technician	1
Administrative Support Clerk	1
Attorney-Advisor	1
Copyright Specialist	14
Deposit Copies Storage Clerk	1
Information Technology Specialist	1
Lead Mail Assistant	1
Librarian (Acquisitions)	1

LIBRARY OF CONGRESS FISCAL YEAR 2012 EARLY OUT (VERA)—BUYOUT (VSIP) PARTICIPATION—
Continued

Organizational unit	Position title
Library Technician (Copyright)	8
Mail Clerk	5
Secretary (Office Automation)	1
Supervisory Copyright Specialist	4
Supervisory Office Automation Assistant	1
Writer-Editor	1
Copyright—Licensing:	
Library Technician	1
Supervisory Copyright Specialist	1
Congressional Research Service:	
Administrative Operations Assistant	1
Administrative Support Assistant	1
Biological Science Analyst	1
Economist	2
Foreign Affairs Analyst	1
Information Technology Specialist	3
Librarian (Research Specialist)	2
Program Specialist	1
Program Support Assistant	2
Social Science Analyst	4
Staff Assistant	1
Technical Information Specialist	3
Total participants	186

Dr. BILLINGTON. Although the increase we're asking for is largely for mandatory pay raises, the last thing we want to do is contemplate further reductions in staff, because it's the staff that brings us the life, and is assuming more and more responsibility. As the demand for services increases and diversifies, the opportunities to make use of it and to sustain it are being curtailed. We'll have to just make the difficult decisions.

IMPACT OF REDUCED ACQUISITIONS

I can't really tell you how, because if you reduce, if you seriously reduce acquisitions, for instance, the impact on this institution, which is so utterly unique and so much larger and more comprehensive than other libraries, that it is acquiring, preserving, and making maximally accessible the world's knowledge and America's creativity, is immense.

Because of the unique copyright deposits, the unique things we acquire, and the worldwide network of exchanges which we are a party to, rebuilding after significant budget cuts is very difficult. But if you reduce acquisitions, imagine you've been acquiring a scientific journal for 100 years. You skip a year, but you don't simply reduce the utility of the journal by one one-hundredth. You reduce it by about one-half in terms of its utility because scientific periodicals, all periodicals are constantly revising information published earlier. If you aren't up to date, you can't translate this into utility. You cannot make up for the information lost; that's why I talked about cutting into the bone.

IMPACT OF CUTS TO PRESERVATION SERVICES

Beyond acquisitions, we are unique in the preservation business across the world. We have the only program for the mass deacidification of paper. Twenty-five years ago, when I first came to LOC, a study said that 75,000 books are being reduced to virtual dust by the high acidic content of all paper that has been used since 1850. We have arrested that deterioration.

The Congress has asked us to create standards for the physical conservation of collection materials. There is so much more history now and increasing numbers of requests, for example what did somebody say on television 20 years ago? You assume you can locate the answer, however, the relevant recording may not be there. We are a throw-away society, but LOC has a national responsibility to preserve the information that others throw away. That's what these new facilities—Fort Meade and the Residential Scholars Center—are about.

DIGITAL PRESENCE

And then finally, we make the collections maximally accessible with our massive digital presence. We have 31 million digital files online, including an enormous number of the primary documents of American history and culture that are essential for K through 12 education. Most everything we've put online is pure primary content. This is not just information you don't know you can believe or trust. So, cutting these kinds of essential services presents difficult choices.

STAFFING CUTS

The most painful choice of all is if you have to cut the staff or have massive RIFs. As I said, we are getting very close to the bone. I can promise you that we will look, and not cry wolf. We will conscientiously continue as we've been doing, to do more with less. But the difficulty with institutions as large and as full of various things and the enormous possibilities for the future that they represent are that you don't know until after you've cut into the bone that the nerve ends have been frayed and the possibilities have been fundamentally changed.

LOC is a unique world resource for the United States of America; otherwise, UNESCO wouldn't have looked at us as a partner in the creation of a world digital library, again, almost entirely privately funded. We're not going to do this kind of program at the expense of the more fundamental programs, but we're accomplishing a lot. We have wonderful, dedicated staff. The dedication of staff over long periods of service is terrific.

ADDITIONAL BUDGET REDUCTIONS POTENTIALLY DEVASTATING

I can't give you my formula, but I can assure you that the staff, which has never been stronger, will conscientiously do its best to make do with whatever resources you have given us. But I would be remiss in my obligations to you if I didn't warn that a great institution like this, that took 212 years to build, could be destroyed not because anybody wants it destroyed, but because it simply has tipped down and cannot get back up, because the effort to get up

has doubled or tripled. Restoring what has been lost becomes impossible.

But I would point out again, without a development office until recent years or a board of trustees, without a lot of appointees who can help in the fundraising, we have succeeded in raising significant funds for these capital projects. We've had wonderful cooperation from the AOC, not because we have a building complex, but just to remain faithful to our fundamental obligation of the Nation to acquire and preserve. Preservation is very important to almost everything produced—sound, movies, everything—and we have permission from the Congress to set up national registries for the preservation of sound and film.

NATIONAL PATRIMONY

We have the obligation of creating a national patrimony of the things that America has uniquely created, as well as to gather material in 470 languages from all over the world. Who would have thought 40 years ago, even 25 years ago, that material from places like Afghanistan or Chechnya or Burundi would be important to have?

LOC has probably the largest collection of Arabic and maybe even Farsi, Persian, Iranian materials anywhere. And there's so much here that's going to be important for future generations that we don't even know about, but we don't want to lobotomize the human memory. This institution is the most retentive and still-active guardian of human memory we have, and it's something that we just can't afford to let go. But I don't want to conduct a filibuster here, Mr. Chairman.

Senator HOEVEN. Dr. Billington, we appreciate tremendously what you and your staff do. It is a world-renowned institution and the quality of your work is absolutely incredible. So, we're going to do our best within the budget constraints that we have to work with, but thanks for being here. Thanks for being here today and for your input.

No further questions, Mr. Chairman.

Senator NELSON. Well, thank you.

ADDITIONAL COMMITTEE QUESTIONS

Well, let me associate myself with those complimentary remarks about the LOC, Dr. Billington, and all of your staff. There's no question about the quality of your work and how it's held in esteem. So, we appreciate very much.

[The following questions were not asked at the hearing, but were submitted to the Library for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

ZERO-BASED BUDGETING

Question. Since each of the agencies within the legislative branch were directed to develop and present the fiscal year 2013 budget requests using a zero-based budgeting approach, I would like to hear from you about how this process worked within your agency.

Was this a helpful process or a hindrance in developing the budget request?

Answer. The Library of Congress (LOC) undertook an in-depth review of operations and services to inform the development of the fiscal 2012 spending plan and as the foundation for the development of requirements for fiscal 2013. This review

involved an examination of the costs of individual programs and units within programs at a finer level of detail than done in the past and related these programs and costs to goals in LOC's strategic plan. Particular focus was directed at information technology infrastructure and information technology support operations across LOC, a part of the review that now is close to complete. This has been a labor intensive process. However, it was instructive and useful, resulting in insights into programs that could potentially be realigned to reduce or contain the damage of budget reductions to core mission services.

Question. Were you able to find sustainable efficiencies that will result in continued savings over time, or one-time only savings?

Answer. The budget review has not at this point revealed entire programs or operations that could be significantly reduced or eliminated to achieve savings. Reductions in staff will result in continued savings over time.

Question. Is this a process you will be able to replicate for future budget requests?

Answer. Some elements of the budget review done this year are likely to become permanent components and phases of LOC's annual budget formulation processes. The design of a strategy and methodology for the data collection, presentation, and review took several months of staff time, an investment of effort that will not necessarily need to be duplicated in future years.

VOLUNTARY EARLY RETIREMENT AUTHORITY/VOLUNTARY SEPARATION INCENTIVE PAYMENT

Question. The Committee provided guidance in the fiscal year 2012 appropriations legislation that each agency within the legislative branch should consider using Voluntary Early Retirement Authority/Voluntary Separation Incentive Payment (VERA/VSIP) in order to reduce salary costs to the agency.

Were each of you able to utilize VERA/VSIP authority; and if so, was this a successful mechanism for reducing costs?

Answer. LOC was authorized to execute a VERA/VSIP retirement option in fiscal year 2012. The number of staff participating in the program was 186, resulting in reduced costs in fiscal 2012, net of the cost of incentive pay (\$8 million), of approximately \$11 million. The actual cost avoidance achieved through the VERA/VSIP incentive was significantly less than budget cuts LOC sustained this year. The overall reduction in LOC's fiscal 2012 budget was \$42.3 million, with the VERA/VSIP cost avoidance representing only 26.6 percent of that amount.

Question. Are those savings realized immediately, or in the out years?

Answer. The \$11 million cited above represents the cost avoidance that will be realized by the end of fiscal year 2012. The annualized effect of the fiscal year 2012 VERA/VSIP retirements, independent of base funding cuts that will be sustained, is estimated to be \$19 million in fiscal year 2013.

Question. Realizing that losing people who are eligible for retirement or early separation often means losing some of the best and brightest people with the greatest institutional knowledge within your organization, how have staffing reductions impacted your agency?

Answer. Careful planning was done in preparation for executing the VERA/VSIP retirement program, to offer the buyout only to targeted positions across LOC where losses would cause the least damage to programs. Nonetheless, the departure of 186 experienced personnel, while also losing the opportunity to fill a number of vacant positions, represents a permanent and significant thinning of institutional capacity despite good succession planning.

The Congressional Research Service (CRS) lost 24 analysts and attorneys resulting in the necessity to broaden research portfolios across the board and the potential for slower response rates. Among CRS retirements were the Senior Intelligence Analyst and the Senior Asia Specialist. Law library retirements included the expert in Canadian and Caribbean law and a senior law curator. LOC will operate with 22 fewer reference librarians as a result of the retirements, reducing services for researchers in the reading rooms and for libraries across the United States that rely on LOC's reference services. Fifty thousand fewer items are likely to be catalogued, impacting every library in the country. Staff retirements of the Copyright Office numbered 43, lessening the capacity of its copyright registration workforce.

Question. Do you have succession plans in place that allow for a smooth transition of responsibilities?

Answer. LOC has focused on succession planning as a strategic priority for at least a decade, after a study confirmed the number of retirement eligible personnel whose loss could threaten the institutional knowledge base. Nonetheless it has been difficult to recover from permanent cuts like those we have sustained this year, when there are minimal budgetary resources to refill essential positions or provide

adequate levels of training. While organizational realignment can blunt the impact of some of the losses, there has been a permanent reduction in institutional capacity relating to the broad and deep knowledge of many of those who have retired.

FISCAL YEAR 2013 BUDGET REQUESTS

Question. I realize that it is important for each agency to request what it believes is necessary in terms of funding for operations and projects without knowing how much funding will be available in the next budget cycle; however, it should be clear to everyone what path we are on given the fiscal situation still facing our country. Therefore, it concerns me that each agency represented here today, except for the Open World Leadership Center, requested a budgetary increase for fiscal year 2013.

What would be the impact to each of your agencies if you were held to the fiscal year 2012 enacted level of funding?

Answer. Of LOC's fiscal 2013 funding request of \$603.6 million, \$14.3 million represents the estimated cost of mandatory pay-related and price level increases, costs that LOC has no choice but to cover. Without additional funding, absorbing these mandated costs will be possible only through the curtailment of other activities of a comparable value. For example, absorbing a cost of \$14.3 million entirely by reducing staffing—if there were continued flexibility to do so—would require removing an additional 78 personnel from the payroll by October 2, 2012, the first day of the fiscal year. This would have an impact on the scope and timeliness of LOC's services to the Congress and the Nation.

Question. What would be the impact of a reduction below the fiscal year 2012 funding level?

Answer. A reduction below the fiscal year 2012 level would result in a realignment of services with a concretely negative impact on certain constituents. LOC would further reduce its research capacity for the Congress. Public services on Capitol Hill would be further reduced. Our capability to provide timely records of copyright registration would be seriously impaired.

Question. At what funding level reduction could your agency no longer continue to provide the services you are required to provide without making significant changes to the agency and its mission?

Answer. As the Librarian indicated in his fiscal year 2013 budget testimony, the current funding reductions have cut into LOC's muscle, and we are hoping to avoid cuts to the bone. In short, LOC would be at the point of having to make significant changes to its programs and services if funding were reduced below the fiscal year 2012 level.

OPEN WORLD LEADERSHIP CENTER

STATEMENT OF AMBASSADOR JOHN O'KEEFE, EXECUTIVE DIRECTOR

Senator NELSON. Well, Ambassador, the floor is now yours.

Ambassador O'KEEFE. Thank you very much, Mr. Chairman, Senator Hoeven. All of us at OWLC appreciate the opportunity to testify on our fiscal year 2013 budget request. And I would like to add to Dr. Billington's remarks about what an honor it's been to work with you, Mr. Chairman, over these couple of years. I deeply appreciated and deeply appreciate the guidance of your staff as well.

Dr. Billington, of course, is on our board and he's the founding chairman of OWLC, so, I will be careful in my remarks. He is also my boss.

We now have an Omaha chairman.

OPEN WORLD LEADERSHIP CENTER PROGRAMMING IN FISCAL YEAR 2012

Ambassador O'KEEFE. Despite several years of budget cuts, we have continued to hone our effectiveness both in the United States and abroad. Just this week we sent a delegation of Armenian bloggers to our 2000th host community. This year we will also expand our program to Uzbekistan beginning with Parliamentarians. Our strategic plan, approved by the board of trustees, envisions strengthening our work with American communities and leveraging their power to show what our delegates describe as "the America we never knew existed".

The plan also establishes our new "30 under 30" initiative. We're setting aside 30 percent of our slots for the generation that has just come of age after the breakup of the Soviet Union, and which has a far different world view than those who came before. Despite rising base costs of transportation and contracts, we have not requested an increase in funding in fiscal year 2013. There are several reasons for this.

First and foremost, cost shares from our hosts throughout America, have risen steadily. We have also found partners willing to assume some international transportation costs. And we hope that private donations will help sustain our work in the coming fiscal year. In all, 25 percent of our resources will come from outside the legislative branch appropriation. It is this broad support, both materially and in spirit, that makes this program incredibly strong while allowing us to keep this request modest.

I must emphasize, though, that our \$10 million request stands as a tipping point. If we dip below that level, the cost per delegate rises. The strong base of communities diminishes. Our cost shares begin to dry up, and partners drift away.

OPEN WORLD LEADERSHIP CENTER RESULTS IN RUSSIA AND OTHER COUNTRIES

So, what has this investment produced? You will have read of the enormous crowds in Moscow and other Russian cities seeking to curb corruption and hold fair elections. Leaders of that movement are OWLC alumni. In February, we hosted more than 40 regional

legislators from Ukraine in communities across the United States. In a follow up survey, one of the frequently made comments shows how perceptions of these rising leaders, on OWLC programs, change, becoming overwhelmingly positive toward the United States, and I quote:

“I had some prejudices toward the United States. This trip made me change my mind. In some respects, my opinion changed drastically. Today at my department, we were discussing the United States and its citizens. Six out of seven members were present and started speaking negatively about America and its people. I began to defend Americans and gave examples of how they work for the benefit of the community, about the high level of their civic awareness and their readiness to help others.”

As mentioned before, our hosts give time and money. But as you can see from this example, what makes the difference to our delegates is that the hosts give so much of themselves. All of us at OWLC deeply appreciate the engagement and support of Members of Congress, and particularly of this subcommittee where we remain a uniquely effective legislative instrument, providing the Congress with a resource that promotes constituent diplomacy.

PREPARED STATEMENT

By supporting OWLC, you will allow Americans in every State to make a difference at the grassroots level and effect positive changes in communities in the complex and strategically important nations of Eurasia.

Thank you, Mr. Chairman, Senator Hoeven.
[The statement follows:]

PREPARED STATEMENT OF AMBASSADOR JOHN O'KEEFE

Mr. Chairman, Senator Hoeven, distinguished members of the subcommittee: I appreciate the opportunity to present testimony on the Open World Leadership Center's (OWLC) budget request for fiscal year 2013. OWLC—of which I am the Executive Director—conducts the only foreign-visitor exchange program in the legislative branch. Congressional participation in our programs and on our governing board has made OWLC a uniquely effective instrument for Members, their constituents, and communities around America. All of us at OWLC are deeply grateful for your support.

OVERVIEW

The OWLC program connects the Congress to its constituents, who in turn practice public diplomacy on behalf of their elected officials. The net effect of these efforts is a deep and ongoing influence on the views and goals of OWLC delegates as they influence events in their own countries. With the power of the 2,000 communities throughout America that have participated over the life of the program, OWLC enhances professional relationships and understanding between political and civic leaders of participating countries and their counterparts in the United States. It is designed to enable emerging young leaders from the selected countries to:

- observe U.S. Government, business, volunteer, and community leaders carrying out their daily responsibilities;
- experience how the separation of powers, checks and balances, freedom of the press, and other key elements of America's democratic system make the Government more accountable and transparent;
- develop an understanding of the U.S. free enterprise system;
- learn how U.S. citizens organize and take initiative to address social and civic needs;
- participate in American family and community activities; and
- establish lasting professional and personal ties with their U.S. hosts and counterparts.

Because OWLC provides such high-caliber programs, participants return to their countries with a tangible appreciation of America's democracy and market economy. To that end, OWLC has refined and focused on key themes central to democracy-building to improve the quality of the U.S. program. The impact of the 10-day United States stay is multiplied by continued postvisit communication between participants and their American hosts, their fellow OWLC alumni, and alumni of other U.S. Government-sponsored exchange programs.

OPEN WORLD LEADERSHIP CENTER ACTIVITIES IN 2012

OWLC's plans for calendar year 2012 include programs for members of Parliament from Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, and Uzbekistan, and regional and municipal legislators from Russia and Ukraine. We have expanded our rule-of-law program beyond Russia and Ukraine to include Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine, and Serbia—countries where we are finding substantial cooperation and a slow, cautious movement toward an independent judiciary. We also continue to foster sister city/sister state programs in many locations in the United States that forge stronger ties between our countries.

OWLC hosts in thematic areas that advance U.S. national interests, support American communities active in these areas, and generate concrete results. We will build on OWLC's incremental and growing successes, and will continue to emphasize such topics as the rule-of-law, human trafficking prevention, education, health, and the legislative branch's role in bringing about good governance.

Our efficient stewardship of resources and programming attracted USAID to partner with and provide funding for OWLC programs for Serbia in 2012. The U.S. Embassy in Ukraine co-funded telemedicine programs in the United States and the Civilian Research and Development Foundation co-sponsored a delegation of Russian researchers in nanotechnology. These are just a few examples of inter-agency collaborations that the OWLC has accomplished due to our reputation for results and cost-effectiveness. In fact, every program hosted and sponsored by OWLC has a partnership and cost share component at its core.

OPEN WORLD LEADERSHIP CENTER PLANS FOR 2013

In fiscal year 2013, in concert with the board of trustees-approved strategic plan, OWLC has established a goal of bringing 30 percent of its delegates from the generation that has come of age since the breakup of the Soviet Union. This group differs from the previous generations both by its access to a greater range of information and, in some countries, a more nationalistic view of the world. To achieve this goal, we are developing a new group of nominators who will assist us in identifying emerging leaders of this rising generation. We are also seeking young professionals in the United States who will introduce these delegates to other young professionals in their communities.

As an agency created to serve the Congress, OWLC will also assist Members who wish to invite their legislative counterparts from these strategically critical nations. We will provide a means for Members on fact-finding missions abroad to extend invitations to key members of legislative bodies to see firsthand the working of U.S. legislatures, at both the national and State levels. To fulfill the mandate from our Board, we are developing a program for Uzbekistan and plan to have members of both chambers of their Parliament as participants in 2013. We requested no increase in our appropriation and will fund this initiative through cost shares, savings, and redistribution of resources.

BREADTH AND DEPTH OF OPEN WORLD LEADERSHIP CENTER PROGRAMMING

OWLC regularly evaluates program performance to ensure that OWLC is meeting its mission of focusing on a geographically and professionally broad cross-section of emerging leaders who might not otherwise have the opportunity to visit the United States:

- Since the program was established with Russia in 1999, the OWLC program has now hosted emerging leaders from almost all the countries of the former Soviet bloc. The program added Ukraine in 2003. In 2007, OWLC expanded to Azerbaijan, Georgia, Kyrgyzstan, Moldova, and Tajikistan. OWLC's Kazakhstan and Turkmenistan programs began in 2008; its Armenia program was launched in 2011. In 2012, the program welcomed its first delegations from Serbia. OWLC has also hosted delegations from Belarus, Lithuania, and Uzbekistan.
- More than 80 percent of Russian participants live outside Moscow and St. Petersburg.
- More than 60 percent of OWLC delegates have been Federal, regional, or local government officials at the time of their visit.

- 1,645 Russian and Ukrainian judges have been hosted in U.S. courts and communities as part of OWLC visits focused on the rule of law. Another 145 judges from Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan have taken part in OWLC rule of law programs.
- OWLC has brought 155 members of the Russian Federation Council and State Duma to the United States. Members of the national parliaments of Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, and Ukraine have also participated in the program. Of the Russian Duma members elected in December 2011, 27 are OWLC alumni.
- More than 90 percent of delegates are first-time visitors to the United States.
- More than one-half of all delegates are women. (Women did not have significant leadership opportunities in the Soviet Union.)

OPEN WORLD LEADERSHIP CENTER IN AMERICA

OWLC delegates are hosted by a large and dedicated group of American citizens who live in cities, towns, and rural communities throughout the United States:

- Since OWLC's inception in 1999, more than 7,100 families have hosted participants in 2,000 communities in all 50 States.
- In 2011, the 204 locally based OWLC host organizations included universities and community colleges, library systems, Rotary clubs and other service organizations, sister-city associations, courts, and nonprofits.
- More than 150 U.S. Federal and State judges have hosted their counterparts from Russia, Ukraine, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, and Turkmenistan.

The generosity and enthusiasm of our American hosts is a mainstay of the program. For the 2012 grant proposal cycle, demand for hosting OWLC delegations was up to three times the supply of available hosting slots. In 2010, Americans gave \$1.72 million worth of in-kind contributions to the OWLC representing 34 percent of the total cost of the hosting program. Other partners provided an additional \$580,000 in in-kind contributions. We expect similar in-kind contributions for 2011 when final reporting is complete.

Visiting delegates, in turn, have enriched American communities by sharing ideas with their professional counterparts, university faculty and students, Governors and State legislators, American war veterans, and other American citizens in a variety of forums such as group discussions, Rotary Club breakfasts, and town hall meetings.

In the past month alone, OWLC has learned of the following partnerships and projects implemented through the OWLC program or initiated and reported on by OWLC alumni:

- In a significant development, OWLC has learned that the leaders of the new opposition in Russia that emerged in December include OWLC alumni.
- On February 17, 2012, a sister-city partnership was signed between the Ukrainian regional capital city of Uzhgorod and Little Rock, Arkansas. The agreement was signed by Mayor Mark Stodola and a Deputy of the Uzhgorod City Council, Vasyl Gnatkiv, a member of an OWLC delegation visiting Little Rock to examine the role of legislatures in accountable governance.
- A Ukrainian television reporter established an investigative journalism non-governmental organization (NGO) based on his observations of a student-journalist project at Carrolton College in Atlanta, Georgia, which he visited during his OWLC exchange. The organization focuses on investigating and reporting on human rights violations. He is now turning his efforts to involving young, socially active Ukrainians in the political and governing processes through an organization called "SAN" (Self-Governed Alternative Network). The Network plans to support candidates for the fall parliamentary elections.
- The southern Moldovan city of Cahul is benefiting from two projects initiated by an OWLC alumnus, hosted in Madison, Wisconsin in 2009, who is both a city councilman and NGO administrator. The Cahul governmental authorities and local NGOs are collaborating on a project called "Cahul—Youth Capital of Moldova 2012" to promote activities for youth. The second project is supported by a grant from the U.S. Embassy and involves the establishment of a park between two housing projects, promoting its use for recreation, and encouraging volunteerism to maintain the park.
- Two Tajik OWLC alumni, one hosted in Princeton, West Virginia and the other in St. Louis, were instrumental in the opening of "Window to America" and "American Corners" centers in their respective home cities. Both alumni worked with the local Tajik government to obtain rooms and other support for these learning centers that now bring to the local population both information about

America and English language training through further support by the U.S. Embassy.

Results such as these solidify the importance of these countries' participation in the OWLC program. Furthermore, OWLC provides ongoing benefits to the U.S. economy through such activities as purchases of equipment in the United States by OWLC alumni and follow-on exchange visits to the United States initiated by contacts made through OWLC. An example of the latter is an education exchange for children from Nadezhdinskiy, Russia planned for this summer by OWLC American hosts associated with People-to-People International in Scottsdale, Arizona. Besides learning English during their stay in Arizona, the group will visit Las Vegas, San Diego, and Los Angeles.

HIGHLIGHTS OF CALENDAR YEAR 2011 PROGRAMMING

Parliamentary Hosting

The OWLC program hosted the first delegation of members from the new Parliament of Kyrgyzstan, elected in October 2010. During their stay in Washington, DC, they met with numerous Members of Congress and observed a session of the House of Representatives, presented at a roundtable at Johns Hopkins University School of Advanced International Studies where they provided each of their political party's view of the only fully democratic country in the region. They were also hosted in Pittsburgh and Harrisburg, Pennsylvania where the delegates observed the legislative process at the city and State levels.

In May 2011, Representative Renee Ellmers (R-NC) served as the congressional host for two Moldovan parliamentarians examining accountable governance in the Raleigh area. The Moldovans had discussions with Representative Ellmers and several State legislators about their duties and office operations; viewed State legislative proceedings; heard about the role of the State Secretary of State's office; and learned about the preservation of parliamentary documents and the State legislature's online resources. North Carolina and Moldova have a formal "Sister State" relationship.

The U.S. Mission in Ukraine turned to the OWLC program in September 2011 to host Parliamentarian Lesya Orobets and directly funded this hosting program. During her visit, Deputy Orobets met with Congressional Ukrainian Caucus Cochair Representative Marcy Kaptur (D-OH) for a peer-to-peer conversation about economic development, current affairs, and representative government. Deputy Orobets chairs an education subcommittee and is fighting for greater transparency in the education system. She is also a pioneer in using social media to communicate with the Ukrainian electorate.

OTHER PROGRAM HIGHLIGHTS

Russia and Tennessee.—Senator Lamar Alexander requested that OWLC host healthcare leaders from Kirov, Russia in three locations in Tennessee. This nascent Tennessee-Kirov relationship was spearheaded by former U.S. Senate Majority Leader William H. Frist, MD, an original member of OWLC's Board of Trustees. Before traveling to Knoxville and Memphis (half to each), the 25 doctors, including the Minister of Health of Kirov Oblast, took part in a panel discussion on healthcare in the United States at the Center for Strategic and International Studies and toured the National Institutes of Health. The Memphis group had an intensive program at several research hospitals and concluded the program with presentations to their counterparts. The Knoxville group visited a university medical center and nursing schools. In Nashville, the two groups reunited in Nashville for an examination of the Vanderbilt Medical Center led by Dr. Frist, and had exchanges with Congressman Jim Cooper, the mayor of Nashville and the Tennessee Commissioner of Health. In the wrap up session, Dr. Frist led a discussion and had them list three areas for improvement in United States and Russian health delivery.

Kyrgyzstan and Montana.—In March, Bozeman, Montana hosted a mayor and several local lawmakers from Kyrgyzstan for an accountable governance exchange. The delegates discussed mayoral duties, the role of the city commission, and citizen engagement with Mayor Jeff Krauss; reviewed infrastructure development with a city planning-department official; and met with an aide to the city manager. The delegates also learned about attracting business to rural areas at the Chamber of Commerce, explored how Montana State University's Local Government Center assists local governments in the State, and took part in the biennial Montana Mayors Forum in Helena.

Ukraine and Virginia.—On March 4, 2011, the Arlington (Virginia) Sister City Association held an official signing ceremony with its newest sister city, Ivano-Frankivsk, Ukraine. This partnership was formalized as a result of OWLC, through

which several delegations from Ivano-Frankivsk were hosted in Arlington, allowing the two cities to further develop strong ties in governance, social programs, and other areas. Yulia Melnyk, a Washington, DC-based correspondent for the Kyiv Post, has praised the partnership between the two cities for including an economic component intended to boost cooperation between Ukrainian and United States businesses.

Georgia and Georgia.—In Atlanta, private and government lawyers from the Republic of Georgia observed jury selection and part of a criminal trial in Federal court (Georgia is just beginning to use jury trials); received an in-depth review of criminal-trial, appellate, and postconviction proceedings from a principal of the Maloy Jenkins & Parker law firm; and attended a class at Emory University School of Law. A tour and question and answer session at the Federal penitentiary was also timely, as prisons in Georgia's capital city of Tbilisi are implementing new regulations and practices. Representative Phil Gingery met with the delegates in Marietta.

Armenia and Iowa.—During her visit to Iowa as part of the first OWLC delegation from Armenia, a newspaper reporter who covers political and government issues, was eager to see the impact of American media on social issues. Having seen how Americans respect their laws and the judicial system, the delegate explained this to her fellow Armenians in the article "The U.S. Constitution is about Freedom of the Individual." In another article "Where the Law Ends, Tyranny Starts", she describes how ordinary citizens have access to Iowa leaders and are able to follow transparent decisionmaking processes. In subsequent articles, the reporter published an interview with a Des Moines Register reporter and other articles on human trafficking, human rights, and domestic violence. Ten days in the United States gave our delegate a chance to create an unbiased glimpse of America and Americans for a broad audience in Armenia.

Kazakhstan and Wisconsin.—In October 2011, a delegation of local government officials from rural towns and villages of Kazakhstan spent a week in Mauston, Wisconsin to observe how municipalities are governed in rural America. City of Mauston officials described the role of elected officials and the authority and accountability of a professional city administrator and city departments. In addition, the delegates learned how public private partnerships can enhance community development as well as the role of businesses and citizens in economic development in rural Wisconsin. During the daylong program at the State capitol in Madison, delegates met with lobbyists who described strategies for citizens to inform and influence public policy by representing interests of groups with shared policy concerns.

In November, five OWLC delegations from the Russian republic of Buryatia traveled to the United States for programs that were partially funded by the Russian ERA Foundation, whose founder, Senator Vitaly Malkin, represents Buryatia in the Russian parliament. Individual delegations visited Illinois, Maryland, Michigan, Nebraska, and Ohio. Further financial support for the delegation to Omaha, Nebraska was provided by the Suzanne and Walter Scott Foundation. University agricultural experts visited soil-testing facilities, discussed international operations and marketing at an agriculture company, examined no-till farming at the University of Nebraska, and discussed Federal agricultural programs with an aide to Senator Ben Nelson.

BUDGET REQUEST

In this lean fiscal environment, we are committed to keeping costs down while maintaining program quality. When constructing our budget, however, we must consider the fact that in reducing the number of participants hosted, there comes a tipping point in terms of efficiency. Certain base costs remain whether bringing 500 participants or 2,000. Using economy of scale, it is our experience that bringing 1,200 participants a year is that tipping point. Below that number, the program becomes less cost effective and the per person cost rises. To that end, our budget request of \$10 million is based on bringing 1,200 participants in fiscal year 2013.

OWLC spends its appropriation in two categories:

- direct program costs; and
- administration costs.

Direct program costs includes:

- grants to host delegations in the United States;
- a logistical coordinator; and
- the direct program portion of salary and benefits of Washington, DC and Moscow staff.

This is the minimum staff level required to manage 1,200 participants in a program year.

OWLC's fiscal year 2013 budget request breaks down as follows:

Item	Amount
Direct program:	
Logistical contract	\$5,720,000
Grants/other hosting costs	3,283,450
Salary/benefits	685,922
Total, Direct program	9,689,372
Administration:	
Salary/benefits	408,255
Services of other agencies	182,000
Professional services	146,640
Miscellaneous office	36,606
Total, Administration	773,501
Total, Budget	¹ 10,462,873

¹ The amount in excess of \$10 million shown here will be covered by donations and other offsets.

SUMMARY

OWLC has served the Congress well, earning strong bipartisan and bicameral support. This modest budget request, representing a flat budget, will enable OWLC to continue to make major contributions to an understanding of democracy, civil society, and free enterprise in a region of vital importance to the Congress and the Nation. On behalf of the Congress, this powerful global network will continue to make a significant and positive mark on events in this strategically important region. This subcommittee's interest and support have been essential ingredients in OWLC's success.

Senator NELSON. Thank you, Ambassador.

As a courtesy, would you please go first, Senator Hoeven?

Senator HOEVEN. Surely, Mr. Chairman.

I see that you've requested \$10,462,873, of which \$462,873 is funding that you have raised. So, I guess the question I ask, is there more that you could do to raise dollars for the program that would in essence help us with this budget?

OPEN WORLD LEADERSHIP CENTER FUNDRAISING EFFORTS

Ambassador O'KEEFE. Senator, we just had our annual board meeting a few weeks ago. The chairman was there. We discussed the issue of fundraising. Quite frankly, our staff is seven and we do not have a development person. To do major league fundraising requires a major league investment in development itself. And, so, what I would like to do and what the board expects is to set out a budget for a development person for next year so that we can begin that process and mine the opportunities that might be available out there.

Senator HOEVEN. I'm sorry. Did you say getting your staff to start doing that or——

Ambassador O'KEEFE. No, Sir.

Senator HOEVEN [continuing]. Getting a development person, I missed that.

Ambassador O'KEEFE. Yes. Senator, it's to hire a development person, but that would require nonappropriated funds. So, I have to raise the money to get the person to raise the money, and that is the charge that my board has given me for this coming year.

OPEN WORLD LEADERSHIP CENTER AND SERBIA

Senator HOEVEN. Talk a little about some of the work that you did with Serbia. I see that you received some funding from USAID for the Serbia programs. Would you talk about that a little bit?

Ambassador O'KEEFE. Yes, Sir. About 1½ years ago, USAID and the Embassy in Serbia, because they knew of the efficiencies of our program, asked us to run a program. They gave us \$500,000. We put it together and then they gave us another \$500,000. So, we're going to bring about 120 people to the United States, 60 this year, 60 next year.

I mention parenthetically, they expected us to bring 60 total because that's what it would have cost them in their structures. We can double that number for them.

Senator HOEVEN. You don't run those dollars through your budget, then. Those are matching dollars that you just used to partner? How does it work?

Ambassador O'KEEFE. It's transferred into the OWLC trust fund. In the statute that establishes the Center, we have a trust fund and our appropriation when it comes, goes into the trust fund as do transfers from other agencies. This can either be done as a reimbursement to us or directly into the trust fund. So, this was a transfer to us.

Senator HOEVEN. Do you have more of those, it sounds like a good partnership. Sounds like it went well. Do you have plans to do more of that with other countries and with other agencies?

Ambassador O'KEEFE. There are targets of opportunity. And as you are aware, assistance funds in former Soviet states and in the Balkans are diminishing and they're being moved to other priorities. But we do look for ways to do this. So, for example, I mentioned the parliamentarians from Uzbekistan. The Embassy will be paying for the transportation to the United States and then we'll pick up the costs from there.

So, we always are looking for ways to stretch the appropriation that you give us. It's one reason why we can keep our requests flat because we are constantly finding partners to work with us.

OPEN WORLD LEADERSHIP CENTER EXPANSION TO EGYPT

Senator HOEVEN. You also have an initiative to assist Members who want to invite their legislative counterparts from countries that were formerly part of the Soviet Union. What's the status of that? And is it restricted solely to countries that are part of the former Soviet Union?

Ambassador O'KEEFE. The legislation allows us to bring people from other countries. The only requirement is we have to give you, the subcommittee, 90-day notice and we have to have the board approve.

Senator HOEVEN. I was recently in Egypt and met with the speaker of the parliament and other members of the Freedom and Justice Party, which is actually the Muslim Brotherhood—

Ambassador O'KEEFE. Right.

Senator HOEVEN. But when they get elected it's the Freedom and Justice Party in the Egyptian Parliament. They're about 40 percent of the Egyptian Parliament together with another Muslim-based

party where they're about 65 percent of the parliament. We were there on the nongovernmental organization worker issue.

I was there with Senator McCain and others. Among the things we talked about was the possibility of parliament members with the Freedom and Justice Party coming here and possibly interacting with Members of Congress. Does that fit within the scope of what you do?

Ambassador O'KEEFE. Yes, Sir. I actually had that conversation with Dr. Billington a few months ago and it can be done. We can do a program for them. We can structure it to your needs and their needs. The length can be adjusted.

Now, understand, I'd have to reprogram funds from elsewhere for this fiscal year, but we're an instrument of the Congress. And the executive branch has more than 200 exchange programs in agencies you would be surprised at having one. The Congress has one, it's us. And, so, this fits exactly, I think, with our next step; that emerging democracies are going to succeed, not simply because people are in the street and not simply because there's an executive, but it's going to succeed if there is this balance between legislative, judicial, and executive branches. We are in a unique position, especially when you go visit counterparts in these countries and are able to make that offer. It would take us 90 days to put it together in any case, but it is legal and it is possible.

The point I emphasize, since we're an independent agency with a board that does oversee us, we're very small, but we also can be very nimble. We're not in the same way as if you were to ask an executive branch agency to help with this.

OPEN WORLD LEADERSHIP CENTER ABILITY TO WORK OUTSIDE THE FORMER USSR

Senator HOEVEN. If you think about it, the work that you've been doing with Russia and the other countries of the former USSR, it makes sense for you to look at some of the Middle East countries because you have a similar situation going on. Whether you look at Tanzania or Egypt or now Libya, Yemen, you've got a number of these countries that are going from a dictatorship or some type of totalitarian regime, military rule, to self determination. Egypt is an example. And we want a relationship with those countries.

So, I do see this as an opportunity. I would ask maybe that you work with my staff. I think there are a number of other Senators that would be interested in putting this together, including perhaps Senator McCain, Senator Graham, myself, and Senator Blumenthal. I think we should take a look because it might be something that would be worthwhile and something we should pursue.

Ambassador O'KEEFE. I will do that tomorrow.

Senator HOEVEN. Thank you, Ambassador. I appreciate it.

Ambassador O'KEEFE. Yes, Sir. Thank you, Sir.

Senator HOEVEN. No further questions.

Senator NELSON. Thank you, Senator Hoeven.

OPEN WORLD LEADERSHIP CENTER AS PART OF THE LEGISLATIVE
BRANCH

Ambassador O’Keefe you made the major points that need to be made for the value of Open World being part of the legislative branch rather than part of the executive branch. That’s why from the very beginning I resisted the efforts from the other body in the Congress to put the program under the State Department. It works right where it is, and we’re going to continue to pursue the independence of it from the executive branch because it belongs within the legislative branch. We’re going to do legislators to legislators and future legislators and future leaders as opposed to executive to executive.

It’s where it should be and it’s doing exactly what we need to have it do. If anything, we need to find ways to expand it. Problem is the budget constraints, but you’re very adept and very agile and nimble at looking for other ways to attract funding. You should know that we will continue to work with you every way that we can to make certain that it happens.

Thank you very much.

ADDITIONAL COMMITTEE QUESTIONS

Ambassador O’KEEFE. Thank you, Mr. Chairman. And, again, thank you for your help and support.

Senator NELSON. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Center for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

ZERO-BASED BUDGETING

Question. Since each of the agencies within the legislative branch were directed to develop and present the fiscal year 2013 budget requests using a zero-based budgeting approach, I would like to hear from you about how this process worked within your agency.

Was this a helpful process or a hindrance in developing the budget request?

Answer. By way of background, the Open World Leadership Center (OWLC) has been engaged in zero-based budgeting since 2010 when we first re-negotiated our large logistical contract which enables the target number of program participants to travel each year. However, the larger effort of compiling a zero-based budget for our annual appropriation was still a demanding, frustrating, enlightening, and ultimately fruitful one that gave us the opportunity to submit an appropriated budget based not only on historical data but built on current fiscal realities.

At a micro level, (OWLC only), the zero-based budget process once again enhanced our awareness of the need to manage resources in the most efficient way possible while at the same time heightening our commitment to maintaining program quality. This was the most complicated part of the new budget approach and to complete that part we had to start with our single largest expenditure in each fiscal year: the logistical contract that enables some 1,200 participants per year to come to the United States. As noted in the testimony, the 1,200 number allows the greatest efficiencies while it maintains the momentum of the program. Once we had established a new baseline for the contract, it was not difficult to apply the same rigorous review to subsequent renewals and then to the second-largest expenditure area in OWLC: grants to national and local organizations in charge of hosting OWLC delegations. While the business of re-negotiating our large logistical contract had its trials, the work we did with our grantees was the most challenging and complex by far. Because each national organization submits its own budget to us to fund an OWLC delegation, we repeated the zero-based budget lessons we learned above to each of the grant proposals that came before us. We looked at each budget submission and started from scratch even if, and at times especially if, the grantee was a repeat grantee. We worked very hard with the grantee to arrive at a budget that

was fair, realistic, and conducive to providing a quality program. That effort, along with the contribution of significant cost shares from the grantees, made it possible to fund programs for the targeted level of 1,200 participants in fiscal year 2012.

While the zero-based budget approach did not by itself solve any “funds available” issues in OWLC, which strives to accomplish its mission in any fiscal environment, it did uncover serious cost savings so that OWLC could continue hosting at prior year levels. Equally important, the zero-based budget approach provided a meaningful incentive to partner with other U.S. Government agencies and departments to accomplish mutually inclusive and overlapping goals. In that regard, OWLC is now working with the United States Aid for International Development for Serbia programming and a special telemedicine program for Ukraine as well as with the U.S. Embassies in Turkmenistan, Armenia, and Uzbekistan.

Question. Were you able to find sustainable efficiencies that will result in continued savings over time, or one-time only savings?

Answer. The exercise did result in sustainable efficiencies because OWLC continues to apply a zero-based budgeting approach to most of its fiscal operations. As mentioned above, OWLC has been engaged in zero-based budgeting practices to a large degree since fiscal year 2010. After that first effort, where we achieved savings of about \$1.5 million, we recognized it as an opportunity to assess the impact of other budget line item expenditures on operations, effectiveness, and quality of programming.

The most important lesson we learned is the value of analyzing carefully all requests for funding from OWLC: just as it is not appropriate to automatically add a fixed percentage to a request from year to year—whether it is OWLC, its logistical contractor or its grantees, it is also not always beneficial to cut a fixed percentage from a budget request from year to year. In this way, OWLC is in a unique position of being both the arbiter of sound fiscal practices with its contractors and grantees and the recipient of difficult fiscal decisions from our Congress in the current fiscal environment.

Question. Is this a process you will be able to replicate for future budget requests?

Answer. OWLC will continue to apply zero-based budget principles to its fiscal operations.

VOLUNTARY EARLY RETIREMENT AUTHORITY/VOLUNTARY SEPARATION INCENTIVE PAYMENT

Question. The Committee provided guidance in the fiscal year 2012 appropriations legislation that each agency within the legislative branch should consider using Voluntary Early Retirement Authority (VERA)/Voluntary Separation Incentive Payment (VSIP) in order to reduce salary costs to the agency.

Were each of you able to utilize VERA/VSIP authority; and if so, was this a successful mechanism for reducing costs?

Answer. In the last 2 years, OWLC has reduced its staff by 22 percent through attrition (down to 7 from 9). When the VERA was offered in fiscal 2012, only one staff member was eligible and she declined the incentive.

Question. Are those savings realized immediately, or in the out-years?

Answer. VERA/VSIP was not used.

Question. Realizing that losing people who are eligible for retirement or early separation often means losing some of the best and brightest people with the greatest institutional knowledge within your organization, how have staffing reductions impacted your agency?

Answer. Staffing reductions have been absorbed by current staff. However, further reductions would impact program quality.

Question. Do you have succession plans in place that allow for a smooth transition of responsibilities?

Answer. OWLC is formulating a reorganization for board approval at its next annual meeting. The reorganization will reflect funding reductions over the last 2 years, the trend toward broader geographic scope, a continuing emphasis on a lower average age of participants, increasing numbers of regional and national legislators (begun in fiscal year 2010), and more cost shares with other partners.

OFFICE OF COMPLIANCE

STATEMENT OF TAMARA E. CHRISLER, ESQ., EXECUTIVE DIRECTOR

Senator NELSON. Well, now we find out who is following the rules.

Ms. Chrisler, it's your turn.

Ms. CHRISLER. Thank you, Mr. Chairman, Senator Hoeven. I'm pleased to be here today.

The mission of the OOC is simple: we work with the Congress to ensure a fair, safe, and accessible community for you, your staff, and your constituents.

Before the Congressional Accountability Act (CAA) was passed, there were some procedures for employees to contest allegations of workplace discrimination, but there were no laws in place. Occupational Safety and Health Administration (OSHA) protections didn't apply and the legislative branch was not fully accessible to people with disabilities. But all that changed with the enactment of CAA in 1995. The Congress sought to give employees an avenue of redress for their claims of discrimination, to hold itself out as a premiere employer, and to demonstrate accountability to its constituents. It was the right thing to do.

The CAA established the OOC, which performs the work of the Equal Employment Opportunity Commission, Federal Labor Relations Authority, OSHA, and several departments of several divisions of the Department of Justice and the Department of Labor. We do a lot of work with a little money. Because our work can involve contentious issues, it may be difficult to see the value that we bring. So, let me explain how the work we do is crucial to the work you do.

On average, more than 90 percent of the discrimination claims presented to the OOC are resolved within our administrative procedures. Without these procedures, the Congress would be seeing many more cases proceed to public litigation or to the press.

OOC's Americans with Disability Act pre inspection of the CVC allowed for the identification of dozens of access barriers that were corrected more quickly and at a lower cost than if OOC had not been involved. In addition, since the 109th Congress, OOC has facilitated a 60-percent reduction in safety and health hazards affecting legislative branch employees, from 13,140 hazards in the 109th Congress to 9,200 hazards in the 110th Congress and 5,400 hazards in the 111th Congress.

The numbers dropped so drastically because of the skill and the dedication of our inspectors, the technical assistance and education we provide, and the collaboration and cooperation of the employing offices. The work of the OOC and the AOC on the improvements in the power plant utility tunnel speaks volumes to the shared efforts in this community to improve safety and health in your backyard. So, you see, the work that we do complements the work that you do. We're just asking for the funding to do it.

COST-CUTTING MEASURES

Over the last two appropriations cycles, OOC has worked to keep its funding requests at a minimum, resulting in a shortage of nec-

essary funds. In fiscal year 2011 we didn't request funding for an inspector that we needed to develop the risk-based inspection and abatement approach that you asked us to institute. Instead, we requested that OSHA provide a nonreimbursable detailee. Budget cuts prevented that from happening, but we continued to keep our requests low and we didn't ask for the funding.

We also didn't ask for the funding for an online training tool for Members' staff that would save your staff time, money, and travel in educating on the CAA.

We mentioned last year that cuts to our funding would impact our operations, and it has. We've had to lay off an attorney. We've had to cut inspector hours by nearly 50 percent. We've eliminated technical assistance that we provide to employing offices. We've reduced the rates of our hearing officers. We've eliminated training for all OOC employees and travel for our nonboard members. We've reduced maintenance on a case tracking system that continues to crash, and we limited travel for board members to Washington, DC to conduct board business. We've cut back on the purchase of supplies and information technology equipment, and we've reduced basic custodial services.

So, we've tightened our purse strings just like every other agency and we've lived with the funds that we've been appropriated. But the job we've been doing is not the job you deserve. Without restoring some of the cuts to the OOC, the Congress will face more claims in the public forum. Employees will seek remedies through the media. Workplace hazards will jeopardize working conditions and emergency evacuations and barriers may prevent your constituents from accessing your offices.

FUNDING REQUEST

If funded as requested, OOC will be able to add one safety and health inspector. Now, that might not seem like a lot, but with this inspector we'll be able to further implement the risk-based inspection and abatement approach that will save money in the long run. We'll be able to identify barriers to the public access for people with disabilities. We'll be able to keep under contract our current pool of distinguished mediators and hearing officers which will maintain the integrity of our dispute resolution program.

Our request for an additional \$389,000 is minimal. We service 30,000 employees and cover 18 million square feet of work space in the Washington, DC metropolitan area alone. Our requested funding is tiny compared to the job we do, yet this funding is critical to the operations of our agency and to the services we can provide to you that make your workplace accessible, fair, and safe.

PREPARED STATEMENT

On behalf of the board of directors and the entire staff of the OOC, I thank you for allowing us to appear before you and for your support of the agency.

[The statement follows:]

PREPARED STATEMENT OF TAMARA E. CHRISLER

Mr. Chairman, Senator Hoeven, and distinguished members of the subcommittee, I am honored to appear before you, representing the Office of Compliance (OOC).

Joining me today are General Counsel Peter Ames Eveleth; Deputy Executive Director Barbara J. Šapin; Deputy Executive Director John P. Isa; and Budget and Finance Officer Allan Holland. Collectively, we present to you OOC's request for appropriations for fiscal year 2013, and we seek your support for our request.

Before I go into our appropriations request, I'd like share a little about the work of OOC and the value we add to the congressional community.

HISTORY OF THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995 AND THE OFFICE OF COMPLIANCE

The mission of OOC is simple: we work with the Congress to ensure a fair and safe workplace for Members, their staff, and their constituents. The Congress saw fit in 1995 to apply workplace laws to the legislative branch, and the congressional workplace is a better environment because of that decision.

Before the Congress enacted the Congressional Accountability Act of 1995 (CAA), there were certain administrative procedures in place for employees to contest allegations of workplace discrimination, but there were no laws protecting employees from discrimination. The majority of staff with allegations of discrimination either remained silent, let bad feelings fester, or made their concerns public, seeking remedies through the media. None of those approaches was ideal for resolving workplace claims of discrimination, and none ensured employees of the legislative branch a fair system to address their concerns. Frequently, "remedies through the media" was the most effective approach for an employee.

Prior to 1995 and the enactment of the CAA, Occupational Safety and Health Act (OSHA) protections did not apply to the legislative branch, and, unlike with allegations of discrimination, there were no internal controls to ensure the application of OSHA protections. Consequently, many employees—including our electricians, landscapers, and utility tunnel workers—worked without the protections that apply in the private sector and executive branch to help prevent harmful, and sometimes deadly, results.

Also prior to the CAA's passage in 1995, the legislative branch was not fully accessible to the public. Constituents with disabilities often confronted substantial barriers when trying to enter congressional buildings. The Americans with Disabilities Act required public facilities such as schools and hospitals to provide access for people with mobility, vision, hearing, or other impairments. But people with disabilities were not guaranteed access to the very Senators and Congressmen who were their elected representatives. With the passage of the CAA, they now enjoy full access to committee proceedings, or to observe debate in the Senate or House.

The Congress passed the CAA in 1995 with nearly unanimous, bipartisan support. In doing so, the Congress sought to give employees an avenue of redress for their claims of discrimination; to hold itself out as a premier employer subject to the same responsibilities and employee protections as private sector employers; and to demonstrate accountability to its constituents. It was the right thing to do.

The CAA established OOC. With a five-member nonpartisan board of directors, four appointed executive staff, and a modest pool of talented and dedicated employees, OOC performs the work of the Equal Employment Opportunity Commission, the Federal Labor Relations Authority, the Occupational Safety and Health Administration, and several divisions of the Department of Justice and the Department of Labor (DOL). We perform our duties independently, efficiently, collaboratively, and cost effectively.

THE VALUE OF OFFICE OF COMPLIANCE SERVICES

Much of the work of the OOC can involve contentious issues:

- employees alleging discrimination or unsafe working conditions;
- people with disabilities alleging barriers to access; and/or
- veterans seeking credit for service in applying for legislative jobs.

Unlike the services provided by other agencies (e.g. beautifying efforts of the Architect of the Capitol, security efforts of the United States Capitol Police, and the research services provided by the Library of Congress), the value of the services provided by OOC may not be so easily recognized. So, let me explain the crucial nature of the work we do.

Because of the CAA and the OOC, allegations of discrimination in the congressional workplace can now be addressed confidentially and comprehensively. Professional counselors well-versed in the substantive protections of the CAA can help an employee work through a claim without disrupting the employing office's work environment. These objective and neutral counselors can also be helpful to an employing office when an office contacts the OOC for help in resolving an issue before it disrupts the workplace. During confidential mediation, a certified and neutral third-

party will meet with an employee and the employing office to facilitate a mutually acceptable solution to a problem.

On average, more than 90 percent of claims presented to our agency are resolved within our administrative procedures. It is fair to say that without the continued effectiveness of these statutorily mandated programs, the Congress would be seeing many more cases proceed to litigation or to the press.

Due to the passage of the CAA, the 30,000 employees of the legislative branch can perform their duties with the same OSHA protections as private sector workers across the country. OOC safety and health staff inspect workplaces to identify hazards so they can be remedied before accident or injury occurs. Since the 109th Congress, when OOC began conducting comprehensive safety and health inspections of workplaces in the Washington, DC metropolitan area, our safety and health staff have facilitated a 60-percent reduction in the safety and health hazards affecting legislative branch employees. In the 109th Congress, our inspectors identified 13,140 hazards. In the 110th Congress, there were 9,200 hazards identified; and in the 111th Congress, there were 5,400 hazards identified. This reduction is due in large part to the skill and dedication of our inspectors, the technical assistance and education we provide to employing offices, and the collaboration and cooperation of employing offices in abatement efforts.

When the Congress enacted the CAA, it guaranteed for the first time that all members of the public, including people with disabilities, had access to legislative branch facilities. At the request of this subcommittee and its counterpart in the House, our inspectors performed an Americans with Disabilities Act (ADA) “preinspection” of the Capitol Visitor Center (CVC) before its December 2008 opening. OOC inspectors identified dozens of access barriers in CVC’s 580,000 square feet, involving doors, ramps, restrooms, dining areas, and other facilities. Because our team was brought in before the contractors had finished their work, many of the barriers were corrected more quickly and at lower cost than might otherwise have been the case. As a result, CVC welcomes hundreds of thousands of visitors every year and offers comprehensive, barrier-free access to all.

As is clear, services provided by OOC minimize disruption to the important work you do on behalf of the American people. These services help to create the workplace envisioned by CAA. We are required to resolve workplace rights issues quickly so that the essential work of the legislative branch can continue. We are required to identify safety and health hazards—including emergency evacuation—so they can be corrected before an employee, Senator, or Representative is injured. We are required to ensure public access to the legislative branch for all, including people with disabilities. We are required to educate the congressional community on the rights and responsibilities provided in CAA. We recognize the positive impact that these statutory mandates have on the congressional community, and we are asking for the funding necessary to continue this essential work.

NECESSARY FUNDING FOR FISCAL YEAR 2013

For fiscal year 2013, OOC is requesting a total of \$4,206,000: 12 percent less than our fiscal year 2012 appropriations request and 10.19 percent (\$389,000) more than our fiscal year 2012 enacted funding level of \$3,817,000. This small requested increase restores a portion of the 13.1-percent reduction in funding OOC has absorbed over the last 2 fiscal years: 6.7 percent in fiscal year 2011, and 6.4 percent in fiscal year 2012.

WHAT WE HAVE NOT REQUESTED IN THE PAST

Mindful of the fiscal constraints facing the Federal Government, over the last two appropriations cycles, OOC has worked to keep its funding requests to a minimum, resulting in a shortage of necessary funds.

During fiscal year 2011, OOC worked to develop the risk-based inspection and abatement approach that the conference committee on fiscal year 2010 legislative branch appropriations directed OOC to institute. Developing and implementing that approach required an additional safety and health inspector, as risk-based inspections are more complex than the wall-to-wall inspections we had performed previously. We didn’t request funding for that purpose. Instead, we renewed our fiscal year 2010 request to OSHA to detail one or more safety and health inspectors on a short-term, nonreimbursable basis, to provide temporary inspection assistance at no additional expense to OOC. As in fiscal year 2010, however, budget constraints continued to prevent DOL and other agencies from supplying nonreimbursable detailees. Because we had been advised that no detailee would be available in fiscal year 2010, fiscal year 2011, or the foreseeable future, we did not make a third request in fiscal year 2012. In fiscal year 2012, the need for an additional inspector

was still pressing, yet, in an effort to present a minimal budget, we refrained from asking this subcommittee for the necessary funding.

In addition, to keep our budget requests low, we previously have not requested funding for many initiatives on workplace issues that would benefit agencies, employees, and Member offices. For example, to save time, money, travel, and to provide privacy to employing offices and their staff, offering an online training program directly linked to OOC's Web site would be the most effective means of educating the covered community on rights and responsibilities under the CAA. However, because of the need to minimize our budget requests, we have not asked for funding for this type of training.

OUR COST-CUTTING MEASURES

OOC has been sensitive to the challenges faced by this subcommittee, and we have kept our budget requests low. In order to continue pursuing our mission with the funding provided to us, we reorganized our staff and cut back services. We were required to lay off an attorney, which left a gap in our case-handling ability. We have had to cut inspector hours by nearly 50 percent since fiscal year 2010—leaving many workplaces, including Member offices, uninspected. We have been forced to eliminate the technical assistance we provide to employing offices, as those hours are needed to perform inspections of high-hazard areas. We have reduced the rates paid to our hearing officers, established a flat per-case rate for our mediators, and brought some mediations in-house. We have eliminated training for all employees and travel for non-board members. Because of the reductions in funding, we have had to reduce maintenance on a case tracking system that continues to crash. We have limited travel for our board members (all but one of whom lives outside the Washington, DC metropolitan area), cut back the purchase of supplies and information technology equipment, and reduced certain basic custodial services. We have tightened our purse strings, just like every other agency, and figured out a way to get the job done with the funds we have been appropriated.

The job we've been doing, however, is not the job you deserve. Budget cuts seriously threaten our ability to ensure the safety and accessibility of the congressional workplace and the confidential resolution of workplace disputes.

WHAT WE WILL DO WITH REQUESTED FUNDING

The funding requested in fiscal year 2013 will restore a portion of the funding that was cut over the last 2 fiscal years. At the requested level for fiscal year 2013, the OOC will be able to add one safety and health inspector, which will help us implement the risk-based inspection and abatement approach that you asked us to undertake, and evaluate additional legislative branch facilities to identify any barriers to public access for people with disabilities. We will also be able to maintain our current pool of distinguished mediators and hearing officers, ensuring the continued integrity of our confidential dispute resolution program.

The remainder of the increase will allow the agency to meet its obligations under inter-agency service agreements and replace the dysfunctional case management system. We are still not asking for everything we need, but we are asking for additional funding so that we can restore some of the critical services that make the legislative branch a more accessible, fair, and safe workplace.

CONCLUSION

The work of OOC adds value to the congressional campus—that is clear. Because of the Congress' decision to apply workplace rights laws, safety laws, and public access laws to the legislative branch, the congressional community is closer to being in line with executive branch agencies and the private sector. Funding OOC at the requested level will help ensure that these laws can be applied as the Congress envisioned in the CAA.

OOC's request for an additional \$389,000 is minimal—less than 1 percent of the fiscal year 2012 enacted funding level of any of the agencies for which we provide services. We provide services to 30,000 legislative branch employees, whose workplaces span nearly 18 million square feet in the Washington, DC metropolitan area alone. Our requested funding is an infinitesimal sum in light of the enormous responsibility placed upon us by the CAA. Yet, this funding is critical to the operations of our agency and to the services we can provide to you.

On behalf of the board of directors and the entire staff of the OOC, I thank you for your support of this agency. I would be pleased to answer any questions.

Senator NELSON. Thank you. I understand that if you don't have enough personnel, you can't get the job done. I do understand that,

and that inspections are employee intensive just by their very nature.

Instead of adding staff, is it possible to go through the process and ask how often you're performing inspections, whether you could extend the time frame reasonably? Is there a study that would do that? I know you can just make a decision of, well instead of safety every 18 months we'll do it every 24. But are there any studies that would be helpful to show that perhaps by extending 1 month or 2 months or something like that, you reduce the work load but you don't increase the safety hazard?

Ms. CHRISLER. It's a very good question, Mr. Chairman, and thank you for it.

As we've developed our operational plan for fiscal year 2011 and fiscal year 2012 when we've absorbed the cuts that we've absorbed, we've discussed that. We've discussed how we can do our job with less money. We've discussed how we can conduct the inspections. We've discussed, you know, how we address the employees that seek our services. When employees come to our office and request counseling or mediation, we don't turn them away. We have to provide the services to the employees.

In some of the discussions that we had with respect to our inspections, we've talked about how the lack of resources will delay inspections. And it's not as much about pushing an inspection off for 1 month. You put the nail right on the head. It is very resource intensive. And with respect to the risk based approach that you've asked us to implement, it's not a matter of just getting a lot of inspections done. It's a matter of getting the inspections done right.

So, with this risk based, we take a look at the programs that are involved. We make sure that we are focusing our attention on high hazard areas; the Power Plant, machine shops, and elevator pits. We look to see whether the employees are wearing the proper protective equipment and whether they are communicating, utilizing the proper hazard communications, and ensuring that they're performing their jobs properly.

So, it's intensive in the sense that we review programs. We watch employees perform their jobs. We have to make sure that they're doing their jobs in accordance with the standards. So, there's a lot involved in this, but it's cost efficient because when employees are performing their jobs the way they're supposed to, then you're looking at less time where employees are out because of illness or injury due to a work related injury.

You're looking at less workers' compensation. You're looking at increased productivity. So, it's cost effective to approach inspections this way.

Senator NELSON. Yes, and it's also very difficult to equate directly how the inspections might have not avoided an injury or something like that. We all understand it. It's common sense, understandable that safe work environments just pay for themselves, although sometimes hard to demonstrate it.

But it would seem to me that on a risk-based system that there would be some give and take on how often and where and how you do it to where you could save one position or something like that.

In other words, I'm not quarreling that you think you need an additional full-time equivalent (FTE) or that you want a couple of

other FTEs. I do understand that. But in lieu of that in tight times, I'm just wondering if you—if you could look—go back to the drawing board and look a little bit more closely. I always try to sharpen my pencil just a little bit more to see if there is a way to do that because I'm not trying to push you into moving beyond safety requirements and good standards as I am saying, could you just keep working with those just a little bit more? I mean, during tight times, I don't think we have to end up with a less safe workplace if an inspection is every third time or every second time unless there is an indication that that's how things become less safe.

I just—there's a point where it's—there's a tipping point. We understand that.

Ms. CHRISLER. Right.

Senator NELSON. I just want to come as close to the tipping point as I can be and as judicious with the taxpayers' dollar as I possibly can. That's all I'm asking.

Ms. CHRISLER. And as do we. And we have reached the point of that tipping point. We have actually reduced our inspector hours. And it's not about the—as I mentioned before—pushing inspections back as much as it is having the people to do the work. We've reduced our inspection hours to the point where we have the equivalent of 1 1/2 contract inspectors doing the work that we need to get done.

So, when we in fiscal year 2011 and fiscal year 2012 went back to the drawing board to make those cuts, we've cut and we've cut and we've cut. And now we're at the point where further cuts would significantly impede the work to be done.

I was going to say something else. I can't remember what I was going to say.

Just to use my colleague's analogy at the end of the table, we've cut through muscle and we've cut to the bone. And any further cuts will be cutting limbs at this point. We've cut our programs. We've cut our personnel. So, yes, we have been very mindful of being judicially responsible with the appropriations that we've been given, and we want to continue to do the job that we need to do with the least amount of money that we've been given.

And, so, we again can go back to the drawing table because there is always more to cut. But at this point we are cutting to the point where we won't be able to do the work that we need to do.

Senator NELSON. All right. Thank you.

Senator Hoeven.

Senator HOEVEN. Thank you, Mr. Chairman.

The main question that I have relates to public access and any barriers to public access for people with disabilities. I guess I'm just wondering, it looks like you're still in the process of going through, making that determination. But are there new facilities or something that is requiring you to do that, or changes in the facilities that requires you to do that? Because I would have thought that would have been done. So, unless there's some changes, I'm not sure I understand exactly why that's necessary.

Ms. CHRISLER. There are areas where it wasn't done and there are continual improvements that are being made. And those areas need to comply with ADA requirements as well. So, for the new construction, yes. For the new improvements that are made to the

Canon building, the Longworth, and at some point the Senate office buildings as well; when those construction improvements are made, the resulting space has to meet the ADA requirements.

Senator HOEVEN. But wouldn't those ADA requirements be part of the new construction? In other words, to have that new construction you have to be ADA compliant when you build it. So, again, I'm still not quite understanding why you have to go back and review it.

Ms. CHRISLER. Right.

Senator HOEVEN. I think that's a requirement when you build it, isn't it?

Ms. CHRISLER. Well, sometimes those requirements are met and sometimes they're not.

Senator HOEVEN. So, it's going back and evaluating and making sure those requirements have been met?

Ms. CHRISLER. You know—yes. And with the construction of the CVC, we were brought into the process early, which was good, because we didn't have to go back to make the corrections. So, allowing OOC to assist and provide the technical assistance early in the construction is cost effective and it makes a lot of sense. And that's what we work with the AOC on. We work collaboratively to make sure

Senator HOEVEN. Excuse me. Is the AOC doing that on the front end?

Ms. CHRISLER. We remain in communication with each other and we work together to ensure that that's done in every instance where it can be done.

Senator HOEVEN. Right. So, if they're doing it on the front end, do you still have to go back and review it or not? That's, I guess, where I'm getting a little confused here.

Ms. CHRISLER. Well, as I mentioned, we don't always get in at the very beginning stages of the construction. Try as we might and working as collaboratively as we can, that's not always met. When it can be, we're there, like with the CVC, but other times we do have to go back and we work and we stay in communication with each other and we work as efficiently as we can.

Senator HOEVEN. Okay. That's really the only question I had, Mr. Chairman.

Thank you.

Senator NELSON. Thank you, Senator Hoeven.

If we put together a process that if you are brought in at the front end to make certain that the requirements are all there in place and that you expect that they would be followed, and then get a certification from the AOC that those have been followed to the letter, and you spot-check from time to time, not that Mr. Ayers would do anything out of the ordinary, but just to make sure that the system is working that way. Could that result in perhaps fewer steps in the process?

We want the process to work. It's got to be a protocol. It needs to be consistent. And if it is and everybody feels that the risk-based effort is being accomplished, is that a possibility?

Ms. CHRISLER. It sounds like a wonderful possibility that we could sit down and discuss.

Senator NELSON. Yes. Well, that's what I'd like to have you do. It will put the AOC on the record, which I'm sure he wouldn't mind at all.

No, I understand. You two are working very well together. It's a great improvement from when I first took over as chairman of this subcommittee, and I tell you what, I really appreciate that fact. It works better for all of us. And at the end of the day, it's a better system for the people who work here and the people who come here and do their business here.

So, do you have any further comments or questions, closing comments?

Senator HOEVEN. Mr. Chairman, I guess the only further comment I have is I think we're going to be required to find more savings.

So, I would just encourage you to go through and start prioritizing and give serious thought to where we can find some more savings. I'm pretty sure we're going to have to do that.

ADDITIONAL COMMITTEE QUESTIONS

That being said, you know, I really appreciate the work that you're doing, and I think everybody does. You're professional. You do an outstanding job. And, you know, we're going to do the best job we can working with you on this budget. Thanks for coming in today and for your testimony.

Senator NELSON. I want to thank all of you as well for attending today's hearing.

[The following questions were not asked at the hearing, but were submitted to the Office for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

ZERO-BASED BUDGETING

Question. Since each of the agencies within the legislative branch were directed to develop and present fiscal year 2013 budget requests using a zero-based budgeting approach, I would like to hear from you about how this process worked within your agency.

Was this a helpful process or a hindrance in developing the budget request?

Were you able to find sustainable efficiencies that will result in continued savings over time, or one-time only savings?

Is this a process you will be able to replicate for future budget requests?

Answer. For the last seven appropriations cycles, the Office of Compliance (OOC) has utilized a zero-based budget approach to develop its annual appropriations requests. Each year, OOC reviews its current needs and evaluates whether prior initiatives or projects will continue in the next fiscal year to determine the amount of funds necessary to meet our mission. This approach allows OOC to develop its budget from the ground up, making a thorough assessment of its fiscal needs each appropriations cycle and prevents OOC from requesting funding that is no longer necessary. Over the years, we have found that this approach helps ensure that our appropriations requests are based on a continuing assessment of the most efficient ways to support OOC's substantive programs and statutory mandates. This process is necessary to ensure financial responsibility in developing a budget. Through utilizing the zero-based budget approach, OOC has enjoyed savings in the administration of the Office, from reduced supply purchases to savings on contracts with vendors and interagency agreements. OOC has also changed its business practices to increase our use of technology to disseminate educational materials and decrease our printing and distribution costs. As we have in the past, OOC will continue to utilize a zero-based budget approach as we develop future appropriations requests.

VOLUNTARY EARLY RETIREMENT AUTHORITY/VOLUNTARY SEPARATION INCENTIVE
PAYMENT

Question. The Committee provided guidance in the fiscal year 2012 appropriations legislation that each agency within the legislative branch should consider using Voluntary Early Retirement Authority/Voluntary Separation Incentive Payment (VERA/VSIP) in order to reduce salary costs to the agency.

Were you able to utilize VERA/VSIP authority; and if so, was this a successful mechanism for reducing costs?

Are those savings realized immediately, or in the out-years?

Realizing that losing people who are eligible for retirement or early separation often means losing some of the best and brightest people with the greatest institutional knowledge within your organization, how have staffing reductions impacted OOC?

Do you have succession plans in place that allow for a smooth transition of responsibilities?

Answer. Although OOC was authorized to utilize VERA and VSIP programs, we were unable to offer these programs to any of our employees during fiscal year 2012, given the lack of necessary resources. Nor do we foresee a future ability to utilize VERA/VSIP authority as a means of reducing costs.

VERA allows agencies that are undergoing substantial restructuring to temporarily lower the age and service requirements of employees in order to increase the number of employees who are eligible for retirement. The positions from which the employees retire would remain vacant, thereby resulting in a cost savings for the agency. VSIP, also known as buyout authority, allows agencies that are downsizing or restructuring to offer employees lump-sum payments up to \$25,000 as an incentive to voluntarily separate. The success of both VERA and VSIP depend upon the savings incurred from lapsed salary of vacant positions. As an agency with a broad mandate, a budget of only \$3.17 million, and an employee complement of only 22 full-time equivalents (one of which is held by the Board of Directors), OOC cannot afford the personnel and financial costs associated with VERA and VSIP. We are not funded at a level where we can offer employees a pay-out to voluntarily separate. Nor do we have multiple layers of employees performing similar tasks to allow positions to remain vacant: when a position is vacant in OOC, the task either does not get completed or our already over-extended staff must absorb the additional duties. Practically speaking, a vacant position at OOC means forgoing the function of the position. Thus, an unfilled position means uncompleted work. Uncompleted work means essential services that are not provided.

In short, given our severely limited personnel and fiscal resources, we cannot use VERA/VSIP programs to reduce costs.

Question. Fiscal year 2013 budget requests. I realize that it is important for each agency to request what it believes is necessary in terms of funding for operations and projects without knowing how much funding will be available in the next budget cycle; however, it should be clear to everyone what path we are on given the fiscal situation still facing our country. Therefore it concerns me that each agency represented here today, except for the Open World Leadership Center, requested a budgetary increase for fiscal year 2013.

What would be the impact to each of your agencies if you were held to the fiscal year 2012 enacted level of funding?

What would be the impact of a reduction less than the fiscal year 2012 funding level?

At what funding level reduction could OOC no longer continue to provide the services you are required to provide without making significant changes to OOC and its mission?

Answer. In responding to your questions regarding OOC's fiscal year 2013 budget request, let us briefly give an overview of our statutory mandate.

AGENCY OVERVIEW

The Congress established the Office of Compliance as an independent agency of the legislative branch to administer the Congressional Accountability Act (CAA).

Confidential Dispute Resolution Program

The Confidential Dispute Resolution program provides advice, information, confidential counseling and mediation, administrative hearing and appellate review services to employing offices and employees of the Legislative Branch. The demand for OOC services is driven by the needs of the covered community; delivery of these services is not discretionary, and must be provided in accordance with our statutory mandate and the strict timelines set forth in CAA.

Education and Outreach Program

Section 301(h) of CAA requires an education and outreach program to educate Members, agencies, and staff about their obligations, rights, and liabilities under the CAA and how to resolve workplace rights disputes through OOC's confidential processes. OOC implements this mandate by providing informational seminars and creating and distributing educational materials to employers and employees about statutory rights and responsibilities in the congressional workplace, such as posters, brochures and statistical reports about harassment, discrimination, disability, and veterans' rights, and family and medical leave. In addition, CAA requires the annual distribution of educational materials to home addresses of all employees. OOC previously sent an annual newsletter but now provides just a one-page notice of rights in order to reduce expenses. The notice of rights has been highly effective in educating employees about their rights and we have received positive feedback from Members who also have had questions about their obligations as employers.

OOC also works with various agencies and both chambers of the Congress to provide educational resources and training at their request. These employers ask for this training not only to inform employees and managers about the law, but also to improve the workplace environment and to prevent workplace strife, embarrassing publicity, and costly litigation, which is ultimately paid for by taxpayers.

Safety and Health

Under the Occupational Safety and Health (OSH) Act provisions in section 215(e) of CAA, OOC is charged with conducting inspections of legislative branch facilities at least once each Congress. The Office of the General Counsel of OOC is responsible for administering certain provisions of the OSH Act, the public access provisions of the Americans with Disabilities Act (ADA), and the unfair labor practice provisions of the Federal Service Labor-Management Relations Act that were adopted by CAA and apply to most legislative branch employees.

After receiving increased funding for OSH inspectors in fiscal year 2006, OOC was able for the first time to conduct comprehensive wall-to-wall inspections of all facilities on Capitol Hill (other than district or State Member offices); consequently, during the 110th Congress, we were able to inspect more than 96 percent of the 17 million square feet occupied by legislative branch offices in the metropolitan Washington, DC area. Similarly, 96 percent of nearly 18 million square feet was inspected during our 111th Congress inspections. These comprehensive inspections led to a substantial reduction in the number of serious hazards in legislative branch workplaces, from 13,141 in the 109th Congress to 5,400 in the 111th Congress.

CONFIDENTIAL DISPUTE RESOLUTION

Question. What would be the impact to each of your agencies if you were held to the fiscal year 2012 enacted level of funding?

Answer. Since fiscal year 2010, the confidential dispute resolution program has had a steady reduction in funding. To meet these reduced funding levels, OOC has had to modify how it delivers services. For example, in fiscal year 2011, because of reduced resources for contract mediators and as a cost-savings initiative, OOC managers (who are trained in conducting mediations) took on the additional task of mediating a large number of cases. To further reduce expenditures, OOC restructured fiscal year 2012 vendor contracts in a manner which will, in effect, limit the time available in mediation to resolve conflicts voluntarily and confidentially. OOC also reduced the rate it pays to independent hearing officers.

The current funding levels do not permit OOC to update or replace its rudimentary case management system. The current case management system was obtained to replace a rapidly failing and unsupported system that was supposed to manage case docketing and correspondence with parties in dispute resolution proceedings. It was also anticipated that this system would generate mandated annual statistical reports. The funds available at the time we procured the system were minimal, so the system we were able to procure only met the minimal needs of OOC. The continued lack of funding has made it impossible for OOC to afford the updates necessary to fully develop the system, especially to retrieve reliable reporting, trending, and cost information. This information would be used to support our reporting mandate, for educating the covered community, and for continuous review of expenses to enable OOC to engage in necessary cost-cutting measures.

OOC has had to defer maintenance on noncritical operations for several years. We have been unable to purchase adequate office supplies, including materials needed to properly store or destroy records, resulting in overcrowding and reduced efficiency in our core operations areas, and necessitating time-consuming workarounds. There has been insufficient funding for counselors and legal staff to receive the continuing

education needed to remain current with the developing law in this area; staff have had to pursue this education on their own. Current funding levels also prevent OOC from moving to an electronic filing system that would create efficiencies at all levels—for OOC and the parties who utilize its services.

Continued funding at the fiscal year 2012 level will perpetuate insufficiencies in basic OOC operations. It will require OOC to continue to perform its dispute resolution mandate with inadequate staffing, equipment, and supplies, and extend the practice of regularly taking employees away from their core function to perform additional duties, further constraining OOC's ability to perform its mission. Continued reduction in fees for mediators and hearing officers creates the possibility of losing and not being able to replace talented professionals. Consequently, OOC runs the risk of not having a sufficient pool of qualified experts available to handle all the needs of the covered community, including confidential adjudication of staff claims against Member offices, leading to frustrated employees seeking resolution through the media.

EDUCATION AND OUTREACH

Over the course of the last 2 fiscal years, OOC cut its educational and outreach program budget by 46 percent. Under its current fiscal year budget, OOC has allotted \$30,000 to educate and provide outreach services to agencies, Members of Congress, and 30,000 employees nationwide; that amounts to \$1 per employee comprehensively for our education and outreach services. These funds are insufficient and have not allowed OOC to provide basic programs needed to educate the congressional community.

Because of budget cuts, OOC has not been able to maintain a technologically current Web site. OOC's Web site receives 3,000 visits per month. The site is aging and becoming outdated, and does not contain current Wordpress 3.3 technologies that would enhance its functionality and reduce its service costs.

Requests for new training and seminars continue to increase in fiscal year 2012. OOC has received numerous requests from employers (e.g., Office of the Architect of the Capitol, United States Capitol Police, United States Commission on International Religious Freedom), labor unions, and employees to provide training on family and medical leave requirements, how to handle reasonable accommodation requests for employees with disabilities, effective internal mediation processes for employment disputes, and harassment prevention. Under current budget conditions, OOC will not be able to address most of these needs. Producing effective training programs requires significant time for preparation and research by OOC staff. Where appropriate, tailoring materials to each particular workplace may be necessary. OOC's current resources will not support this service. Furthermore, effective training courses often require the use of instructive videos that provide visuals and situational scenarios. OOC's budget will not allow for the purchase of these videos.

One of the most efficient, broad-reaching, and cost-effective ways to provide training to the Congress and its workforce is through online resources. OOC has been researching ways to provide online training courses not just for agencies, but also for Member offices so that chiefs of staff and other managers can properly address important issues, such as family and medical leave and how to prevent harassment in the workplace. OOC does not have sufficient funding to provide online resources as part of our education and outreach program.

SAFETY AND HEALTH

In response to the continuing reductions to OOC budget commencing in fiscal year 2011, OOC has substantially cut the scope of its safety and health and ADA public access programs mandated by CAA by, among other measures, reducing safety and health inspector hours; reducing and limiting constituent-requested ADA inspections; delaying and limiting investigations of employee requests for safety and health inspections and constituent requests for inspections of barriers to public access under the ADA; and discontinuing requested technical assistance to employing offices, except in very limited circumstances. In response to further cuts in fiscal year 2012, we continued to reduce services and laid off a staff attorney whose work was principally related to fire and life safety conditions on Capitol Hill. During fiscal year 2012, OOC anticipates being able to inspect most high-hazard workplaces, but only some high-risk operations. We have had to cut back inspections of safety procedures and programs mandated by CAA by limiting our reviews to two programs and not inspecting others such as lockout/tagout programs addressing hazards relating to maintenance of machines, electrical repairs, and other operations. These safety programs are designed to provide protections to employees engaged in higher-risk operations. Further, shortly after the beginning of the 112th Congress,

OOC no longer had sufficient resources to inspect almost all offices and administrative spaces, including Member offices; the only offices we have inspected or will inspect during this Congress are located in the remaining Page Schools, the Library of Congress Taylor Street facility for the blind, National Library Service for the Blind and Physically Handicapped, and a limited number of areas of special emphasis. We expect this trend to continue in fiscal year 2013 if funded at the fiscal year 2012 level.

The reduced level of funding in fiscal year 2011 and again in fiscal year 2012 has required us to substantially reduce the number and scope of our inspections. Although to date our high-risk priority approach to inspections has successfully identified and led to the correction of many serious hazards, we anticipate that by the end of fiscal year 2012, we will only be able to inspect roughly 25 percent of the nearly 18 million square feet in the Washington, DC metropolitan area. Consequently, 13.5 million square feet will not be inspected in the current fiscal year, as well as in fiscal year 2013, if funding levels remain the same. ADA public access inspections most likely would have to be eliminated or reduced significantly, notwithstanding CAA requirements.

Several recent studies have shown that Federal OSHA inspections reduce actual injuries in manufacturing facilities by roughly 20 percent in the 2 years following the inspection.¹ Unlike the Occupational Safety and Health Act, CAA does not require employing offices to record or report injury statistics. Thus, we are unable to determine whether or to what degree our inspections have reduced occupational injuries in the legislative branch. We can, however, report a parallel and significant reduction in identified hazards once OOC commenced comprehensive wall-to-wall inspections in all Capitol Hill covered facilities during the 110th Congress: from 13,141 hazards in the 109th Congress to 5,400 in the 111th Congress. In establishing CAA and safety and health requirements, the Congress thought that these inspections should be conducted once every 2 years. Thus, delaying inspections, as was discussed at the March 1, 2012 appropriations hearing before the Senate subcommittee, could have a detrimental impact on the safety and health of legislative branch employees.

In light of the above studies, OOC would be remiss in doing anything other than what CAA requires, that is, to inspect such workplaces at least once each Congress. Yet, due to budget cuts, we have been unable to inspect fully many operations that potentially could cause serious injury or illness. There are many high-risk spaces and operations (e.g., machine shops, electrical transformer rooms, the Capitol Power Plant) that we have been unable to inspect fully. We are concerned that areas not inspected will return to the unsafe conditions in which we found them in the 109th Congress.

In past years, we have conducted both OSH and ADA pre-inspections before a new facility opened; in the Capitol Visitor Center, we identified hundreds of conditions that were not consistent with OSH and ADA standards. The pre-inspection enabled correction of these deficiencies before the facility was opened to the public, thereby avoiding potential disruption to visitors and employees. Further, by identifying conditions that do not comply with OSH and ADA requirements before the work is approved by the Government's project manager, the contractor who is at fault—not the Government—can be required to absorb the cost of remedying such conditions. The former FDA building is scheduled to open in fiscal year 2013; absent sufficient resources more than our fiscal year 2012 funding level, OOC will be unable to conduct a pre-inspection of this facility or areas in other existing facilities that are continuously undergoing construction or renovation where compliance with new ADA standards is required.

With level funding in fiscal year 2013, OOC would be unable to restore any of the services previously discontinued, including technical assistance, which currently is strictly limited to requester-initiated inspection cases and in the course and scope of the limited biennial inspections we are currently able to conduct. Investigation of employee requests for safety, health and ADA inspections could be further delayed; in fiscal year 2011, those requests involved serious hazards such as malfunc-

¹ Haviland et al., "Are there Unusually Effective Occupational Safety and Health Inspectors and Inspection Practices?", RAND Working Paper March 2012, http://www.rand.org/content/dam/rand/pubs/working_papers/2012/RAND_WR914.pdf; Gray et al., "Does Regulatory Enforcement Work? A Panel Analysis of OSHA Enforcement, Law and Society Review", 1993,27:177-213.; Mendeloff et al., "The Declining Effects of OSHA Inspections in Manufacturing, 1979-1998, Industrial and Labor Relations Review, 2005", 58:571-586; Haviland, et al. "What Kinds of Injuries Do OSHA Inspections Prevent?", Journal of Safety Research, 2010, 41:339-345; Burns et al., "A New Estimate of the Impact of OSHA Interventions on Manufacturing Injury Rates, 1998-2005", American Journal of Industrial Medicine, 2011.

tioning fire alarms, delayed emergency evacuation of people with disabilities, and improper handling of asbestos-containing materials, among others.

CONFIDENTIAL DISPUTE RESOLUTION

Question. What would be the impact of a reduction less than the fiscal year 2012 funding level?

Answer. The program cannot withstand further reductions. A reduction less than fiscal year 2012 funding levels would severely obstruct the mission of OOC which, by law, must provide confidential dispute resolution services to the covered community. OOC has consistently sought funding necessary to ensure that it could meet the needs of its constituency. Despite that, the dispute resolution program's funding level in fiscal year 2012 is approximately 20 percent less than what it was in fiscal year 2010. Further, reductions would endanger the core function of this mandated program, leaving it without the resources to make necessary updates to its docketing and reporting system, to continue to provide the covered community with sufficient mediation services, to maintain the pool of quality jurists who ensure fair administrative hearings, and to maintain current staffing levels. Continuing reductions in funding could very well lead to a reduction or even a denial of mandated services.

A further reduction in funding levels will negatively impact the dispute resolution program's basic operations of managing the docket, generating reports and providing confidential counseling. It will jeopardize OOC's ability to provide timely and confidential mediation and hearing processes for employees and employing offices who request needed services. Mediators' contracts cannot be reduced any further and should we be required to make additional cuts to hearing officers' contracts, we risk losing experienced, respected judges. If OOC is forced to suspend administrative hearings, or forgo written transcripts of hearings, employees may elect to take their complaints to the media or to Federal court rather than avail themselves of OOC's confidential hearing process. Utilizing a public forum to resolve employment disputes often drags the process out and increases costs. Any public exposure could adversely impact Members and the lives of employees seeking redress, and disrupt the operations of employing offices.

EDUCATION AND OUTREACH

Further reductions to our education and outreach program will force OOC to decline all newly requested training and to pare down current training. Depending on the size of the cut, OOC may also have to terminate the notification of rights mailing to employees, which consumes approximately 30 percent of our education and outreach budget. Eliminating this mailing would be detrimental to the services provided to Members and their staff because the notification of rights is the most effective means OOC has to provide direct and basic information about CAA to the congressional workforce. The notification was created in response to a recent baseline survey conducted by the Congressional Management Foundation at the request of OOC, which found that most congressional employees had limited-to-no knowledge of their workplace rights or of OOC. See fiscal year 2009 OOC "Annual Report, State of the Congressional Workplace", p. 38. This mailing is an essential part of our outreach mandate. Indeed, in fiscal year 2010 congressional stakeholders asked OOC to work with one of its oversight committees to increase its education and outreach efforts, because CAA is most effective when all are educated on the laws and the protections that govern the Congressional workplace. Receiving cuts to our already-underfunded program would be ruinous to this effort.

SAFETY AND HEALTH

In view of the effects of previous funding reductions on our programs, further reduction from the fiscal year 2012 level would be devastating to OOC's safety and health and public access work. Still more layoffs would be inevitable. OOC does not have backup staff with the time and technical expertise to perform work on an extended basis for someone who has been laid off. Consequently, OOC would be incapable of meeting its very specific statutory obligations. This Office currently has a reduced complement of inspectors to perform all biennial and requested OSH and ADA inspections: one full-time and two part-time OSH inspectors and one full-time inspector whose time is divided between part-time ADA and occasional OSH inspection duties as well as administrative/technical responsibilities in support of both of these programs. A reduction less than fiscal year 2012 levels would mean that more legislative branch facilities would go uninspected for safety and health hazards. With a further budget-driven reduction in inspector resources, OOC would no longer have the time and variety of specialized technical experience necessary to conduct

inspections of employing office safety and health procedures and programs, or the inspections of high-hazard workplaces, such as the Capitol Power Plant. Like attorneys and physicians, inspectors do not possess specialized expertise in every aspect of safety and health. The loss of needed expertise through further reduction in our inspector complement would have significant detrimental effects on our program and on the health and safety of the legislative branch workforce as a whole. Barriers to public access for people with disabilities would likewise go unidentified and unremedied. We would no longer be able to process all requests by employees for OSH and ADA inspections, and there would be further extended delays for some inspections. Technical assistance would be further reduced if not eliminated.

Successful inspections depend on a level of collaboration and communication between OOC and the employing offices. This approach has greatly reduced the friction often observed between regulators and the regulated in other venues. Instead of issuing citations whenever a finding is identified, as is done in the private sector, OOC General Counsel ordinarily issues hazard findings that may be contested by the employing office. If this does not succeed in achieving an agreement to abate the hazard, a citation may then be issued, followed by a complaint. This pre-citation procedure fosters greater cooperation in most instances, but it is a voluntary procedure not required under CAA or OSH Act. OOC has also instituted various practices and procedures to foster better communications respecting OSH and ADA inspections, findings, abatement, and enforcement actions.

These voluntary efforts by OOC are very time and resource intensive. Consequently, further reduced resources might force OOC to adopt a less labor-intensive, more enforcement-focused regimen, including unannounced inspections and more frequent use of citations rather than hazard findings to expedite hazard abatement.

Question. At what funding level reduction could OOC no longer continue to provide the services you are required to provide without making significant changes to OOC and its mission?

CONFIDENTIAL DISPUTE RESOLUTION

The confidential dispute resolution program cannot withstand further reductions in funding. The program can no longer defer basic maintenance on essential systems, equipment and services such as its case management system, computer, and teleconferencing equipment, without jeopardizing its operations. OOC has no discretionary programs from which it can reallocate funds in order to support its core services and no functional redundancies to sustain any further cuts in staffing or with contract mediators and hearing officers. Once we cut employees or contractors, there is no one else to perform their jobs on a continuing basis. OOC has already modified the delivery of its core services by assigning managers with prior training in mediation to take on the additional responsibility of mediating cases that OOC cannot fund for mediation by independent professionals. Although this has worked on an interim basis, it is not the best or most efficient practice. It drains essential staff resources, which already are at a bare minimum. Using independent mediators ensures that parties have full access to those services when needed. The current status of resources has constrained OOC from performing at an optimal level. Any additional reductions in funding of this small agency will further undermine the effectiveness of our dispute resolution program and will likely result in employees seeking another forum in which to address their employment disputes—in the media or in court—rather than through OOC's confidential processes.

EDUCATION AND OUTREACH

Any cuts less than the fiscal year 2012 funding would prevent OOC from providing education and outreach services as required by CAA. As explained above, this program has received a 46-percent reduction since fiscal year 2010; further cuts would erode OOC's ability to educate employees and it would feed a common misperception that the Congress does not want legislative branch employees to be informed about their rights.

SAFETY AND HEALTH

Even absent further funding reductions in fiscal year 2013, OOC is no longer providing the services we need to meet our mission under CAA. We have already made significant changes to improve the efficiency of OOC's operations and adjusted and reduced the scope of our programs. Previous budgets prevented us from renewing the contracts for two inspectors and forced us to reduce hours of current contract inspectors, which has already significantly impaired our ability to provide necessary safety and health and ADA services to the legislative branch. Any additional cuts

would force OOC to further reduce and/or eliminate still more statutorily-required services. Given that Capitol Hill remains one of the biggest targets for terrorist acts, our inability to enforce safety laws through comprehensive workplace inspections would prevent us from ensuring clear emergency exit paths and from ensuring fire-protection containment.

While we would continue to perform our responsibilities to the extent we were able, in reality, we would betray the vision of those Members of Congress who, with but one dissenting vote, approved the creation of OOC and its mission to assure a safe workplace, provide accessibility to programs and facilities to individuals with disabilities, and guarantee workplace rights in the legislative branch.

SUBCOMMITTEE RECESS

Senator NELSON. The subcommittee will stand in recess until 2:30 p.m. on March 15, 2012, when we'll meet in room SD-138 to take testimony on the fiscal year 2013 budget requests of the Government Accountability Office, the Government Printing Office, and the Congressional Budget Office.

With that, we stand in recess. Thank you.

[Whereupon, at 4 p.m., Thursday, March 1, the subcommittee was recessed, to reconvene at 2:30 p.m., Thursday, March 15.]